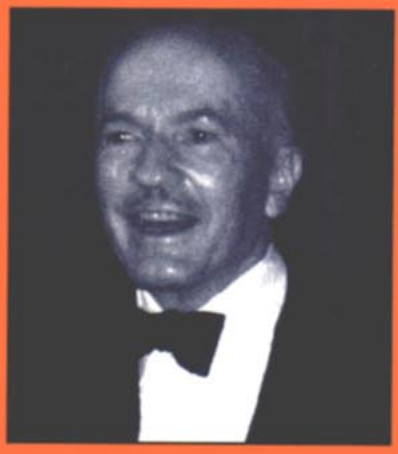
THE FREEMAN

IDEAS ON LIBERTY



Robert Heinlein's
Soaring Spirit of Liberty

The Miracle of
Liberty and Peace

The Amazing Creative
Power of One

Who Said What
About Liberty?

JULY 1997

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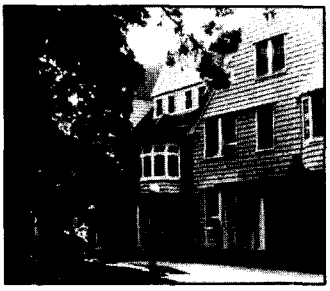
LAST CALL!

1997 Summer Seminars At FEE



For the 35th consecutive summer, FEE will conduct its noted seminars in the freedom philosophy and the economics of a free society. Here, in the company of like-minded individuals, with experienced discussion leaders, and in a setting ideal for the calm exchange of ideas, is an opportunity for those who believe that the proper approach to economic problems is through the study of individual human action. These seminars continue to attract individuals from all walks of life who seek a better understanding of the principles of a free society and are interested in exploring ways of presenting the case more convincingly.

Each seminar will consist of 30 hours of classroom lectures and discussions in economics and government. There will be a number of distinguished lecturers, including Doug Bandow, Burton Folsom, Roger Garrison, Bettina Bien Greaves, Dwight Lee, Edmund Opitz, Lawrence Reed, and John A. Sparks.

The FEE charge for a seminar—tuition, supplies, room and board—is $400. A limited number of fellowships are available. We especially encourage the application of high school and college teachers or administrators, but all are invited.

Individuals, companies, and foundations interested in furthering this educational enterprise are invited to sponsor students and assist with the financing of the fellowship program.

First Session: July 13-18, 1997

Second Session: August 10-15, 1997

Write: Seminars, The Foundation for Economic Education, 30 South Broadway, Irvington-on-Hudson, NY 10533; or Fax: (914) 591-8910. E-mail: freeman@westnet.com.

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PERSPECTIVE

A Salute to Bettina Bien Greaves

Bettina Bien Greaves is an extraordinary, unsung resource for liberty. Now FEE's Resident Scholar, a FEE Trustee, *Freeman* Contributing Editor, and two-time Guest Editor, she has done so many things for so many people for so long, it's past time to publicly acknowledge her myriad contributions. If you ask Bettina, she says she has only done her job, tried to answer questions people ask, and learned a good bit herself along the way.

With her late husband, Percy L. Greaves, Jr., she attended Ludwig von Mises's fabled economics seminar at New York University for nearly two decades. She took notes in those seminars and she helped make arrangements for the "Mises Dinner Circle" which, during the 1950s and 1960s, gave libertarian speakers a rare respectful forum in New York. She did practically everything, even humble chores, to help make Ludwig and Margit von Mises comfortable during their last years.

Along the way, Bettina made herself into the world's foremost Mises authority. She amassed hundreds, perhaps thousands of articles by and about Mises—in Chinese, Dutch, French, German, Italian, Japanese, Polish, Portuguese, Spanish, and Swedish, as well as English. She translated some of these articles. She checked facts about Mises firsthand in Austria and Switzerland where he had lived. The material she gathered became the basis for her authoritative two-volume *Mises: An Annotated Bibliography* (1993, 1995), which provides generous selections from articles and books, illuminating the intellectual history of the twentieth century. Bettina's scholarship revealed that Mises's influence extended much farther than anybody had imagined.

Bettina made herself perhaps the premier archivist of the postwar libertarian movement. She could always be counted on to squirrel away worthwhile documents and publications virtually impossible to find later. Her files include a remarkable collection of articles by Rose Wilder Lane. She has Henry Hazlitt's 20 years of *Newsweek* columns. She has what is probably the world's largest col-

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lection of material on Frederic Bastiat—plus material on Frank Chodorov, Murray Rothbard, and many other important thinkers.

Long before mainstream publishers began to run articles and issue books by libertarian authors, there were lively debates in libertarian publications such as *Plain Talk*, *American Affairs*, *Books for Libertarians*, *Christian Economics*, *Inquiry*, *Journal of Libertarian Studies*, *New Individualist Review*, *Libertarian Review*, *Liberty*, and *Reason*. Most of these are gone, and even the ones still going can't be found at most libraries, but they're in Bettina's office.

She has material from many of the early libertarian organizations which became landmarks in the movement, including the National Economic Council, Joint Council on Economic Education, National Committee for Monetary Reform, National Committee for Constitutional Government, America's Future, and the American Economic Foundation. She has a collection of the papers presented to the Mont Pelerin Society, the international society of classical liberal scholars.

Bettina's personal library, which exceeds 5,000 books, is a major resource. It includes extensive holdings on American history, civil liberties, philosophy, economic theory, money, the Industrial Revolution, the Great Depression, the New Deal, Pearl Harbor, and other subjects related to liberty. She smiles, "I come by this naturally. I'm a third-generation bibliophile."

Bettina recognized the vital importance of reaching young people at an age when they are embracing ideas they would likely hold for the rest of their lives. Accordingly, she spearheaded FEE's pioneering program to provide libertarian material for high school debaters—information which wouldn't be found in local libraries. For almost two decades, she assembled sophisticated yet easy-to-understand packets on foreign aid, government regulations, medical care, subsidies, the media, and many other issues. These mailings went out to as many as 1,200 high schools and several hundred colleges each year. Bettina helped students further by writing *Free Market Economics: A Syllabus* (1975) and editing *Free Market Economics: A Basic Reader* (1975) with 81 choice selections by such authors as Mises, Hazlitt, Chodorov, Davy Crockett, Jean Baptiste Say, FEE founder Leonard E. Read, and FEE president emeritus Hans F. Sennholz. Countless people have visited FEE and expressed heartfelt thanks to Bettina for helping them find their way.

Born in Washington, D.C., Bettina grew up the daughter of homebuilder-architect Van Tuyl Hart Bien; he lost practically everything in the Great Depression, and the family then moved to a log cabin in Bethesda, Maryland. At Wheaton College (Norton, Mass.), where she majored in botany, Bettina learned some French and German. When World War II came she accepted a government secretarial job with the Board of Economic Warfare. This took her to South America, where she learned Spanish, and to Europe where, among other things, she improved her German.

She joined FEE as a correspondence secretary in March 1951. That fall she began attending Mises's New York University economics seminar. Since then, she has given lectures across the United States and around the world. On her travels, she has helped maintain vital contacts with libertarians in such far-flung places as Australia, the Bahamas, Japan, Guatemala, Italy, Finland, the Czech Republic, Poland, Romania, and Russia.

This month marks Bettina's 80th birthday, something that she doesn't really want to be reminded of. But so many people have expressed gratitude for what she has done that we're glad to report she continues to enjoy good health—she regularly drives nearly 60 miles to participate in discussions about liberty. Please feel free to send your best wishes to her at FEE.

—Jim Powell, *Guest Editor*

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THE FREEMAN
IDEAS ON LIBERTY

An Exclusive *Freeman* Interview:

Rudolph Rummel Talks About the Miracle of Liberty and Peace

Since the late nineteenth century, most intellectuals have embraced the illusion that government could somehow be tamed. They promoted a vast expansion of government power supposedly to do good.

But the twentieth century turned out to be the bloodiest in human history, confirming the worst fears of classical liberals who had always warned about government power. Perhaps nobody has done a better job documenting its horrors than University of Hawaii political science professor emeritus Rudolph J. Rummel.

Little known outside the academic community, he suddenly received much attention when he wrote *Death by Government* (Transaction, 1994). In the book, Rummel analyzed 8,193 estimates of government killings and reported that throughout history governments have killed more than 300 million people—with more than half, or 170 million, killed during the twentieth century. These numbers don't include war deaths!

Rummel went on to identify keys for peace, noting which kinds of governments engaged in wars during the past 200 years. In his latest books, *Power Kills* (Transaction, 1997) and *The Miracle That Is Freedom* (Martin Institute, University of Idaho, 1997), he reported his finding that liberal democracies are far less warlike than authoritarian or totalitarian regimes. Indeed, he could not find a single case of a war between two liberal democracies. He presented compelling evidence that the most effective way to secure peace is to secure liberty by limiting government power. Last year he was nominated for a Nobel Peace Prize.

To be sure, classical liberals always knew that liberty and peace go together. Classical liberalism blossomed after centuries of brutal war. Mindful of how casually kings had launched so many senseless wars, America's Founders gave the war-making power to Congress, not to the chief executive. Peace was a primary passion of Richard Cobden and John Bright as they launched the successful movement for free trade. By giving people on both sides of a border easy access to resources, they believed free trade would eliminate major provocations for war and strengthen the self-interest of nations to get along. The international movement for liberty was a peace movement. But during the late nineteenth century, statists relentlessly attacked classical liberalism, promoted a vast expansion of government power and imperialism—and blamed escalating conflicts on capitalism. The dynamic link between liberty and peace was forgotten.

Rummel's personal experience led him to explore these great themes. Born in Cleveland, he endured parents who never seemed to get along. This experience, he says, "made me hate conflict—the bickering, the emotion, the yelling, the irrationality." He joined the army during the Korean War as a way of escaping the slums. He was stationed in Japan, he saw firsthand the horrifying destruction of war, and he found the Japanese

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friendly. It led him to ask why we had made war on each other and to study war later when he went to college.

Meanwhile, he recalls, "I became thoroughly captured by science fiction. It occupied my free time, being to me what rock, movies, and television are to contemporary youth. I got my hands on whatever science fiction pulp magazines or books I could find to read; and unbeknownst to me at the time, not only got something of an education in basic science, but also developed scientific norms. I simply fell in love with science and took it as axiomatic that truth came from science, and that to be a scientist one had to learn mathematics."

After the Korean War, Rummel enrolled at Ohio State University—even though he hadn't been to high school. A year later he transferred to the University of Hawaii because he had become fascinated with Asian culture. "There I discovered that I could actually, as a student and later as a professor, study war. I was elated. From that time on, I never had any doubt this was what I must do."

He earned his master's degree at Hawaii, then went to Northwestern University. After teaching stints at Indiana University and Yale University, he returned to Hawaii, where he has been ever since.

During the 1960s, he wrote articles for *Peace Research Society Papers*, *Journal of Conflict Resolution*, *American Political Science Review*, *World Politics*, *Orbis*, and other journals, and he contributed chapters to many edited books. He wrote the five-volume *Understanding Conflict and War* (1975–1979). Then came *In the Minds of Men: Principles Toward Understanding and Waging Peace* (1984), *Lethal Politics: Soviet Genocide and Mass Murders 1917-1987* (1990), *The Conflict Helix: Principles and Practices of Interpersonal, Social, and International Conflict and Cooperation* (1991), *China's Bloody Century: Genocide and Mass Murder since 1900* (1991), and *Democide: Nazi Genocide and Mass Murder* (1992).

Despite his voluminous writings, Rummel's findings were ignored because, among other things, they posed an unacceptable challenge to statist dogmas that dominated the intellectual world. But after the collapse of so many communist regimes, he could no longer be denied.

Now retired from teaching, Rummel works mostly at his Kanoeohe, Hawaii, home, which is filled with books and Asian art. Recently we talked with him about war, peace, and liberty, issues which thinkers have grappled with for thousands of years.

The Freeman: **Could you tell us what your research has revealed about government power?**

Rummel: Concentrated political power is the most dangerous thing on earth.

During this century's wars, there were some 38 million battle deaths, but almost four times more people—at least 170 million—were killed by governments for ethnic, racial, tribal, religious, or political reasons. I call this phenomenon democide, and it means that authoritarian and totalitarian governments are more deadly than war.

Many people are aware that some 60 million people died during World War II. What's much less well known is that only about 16 million of the World War II deaths involved combatants.

When you have a very powerful dictatorship, it doesn't follow automatically that a country will be violent. But I find the most violent countries are authoritarian or totalitarian.

Lord Acton insisted government officials be judged by the same moral standards you apply to ordinary people, and I do that, often to the discomfort of my political science colleagues. For instance, at one conference where I delivered a paper, I could see people wince when I referred to the late North Korean dictator Kim Il-sung as a murderer. He was responsible for about 1.7 million deaths. A lot of us can talk about an individual killer as a murderer—somebody like "Jack the Ripper," who killed about a half-dozen people—but in polite society you don't usually hear a famous "statesman" described as a murderer.

The Freeman: **Who were the biggest murderers of the twentieth century?**

Rummel: Soviet Communists top the list, having killed almost 62 million of their own people and foreign subjects. I figure Stalin was

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responsible for nearly 43 million deaths. Most of them, about 33 million, were the consequence of lethal forced labor in the gulag.

Chinese Communists were next, murdering about 35 million of their people. More than a million died during Chairman Mao's "Cultural Revolution" alone. In addition to all these killed, 27 million died from the famine resulting from Chairman Mao's insane economic policies.

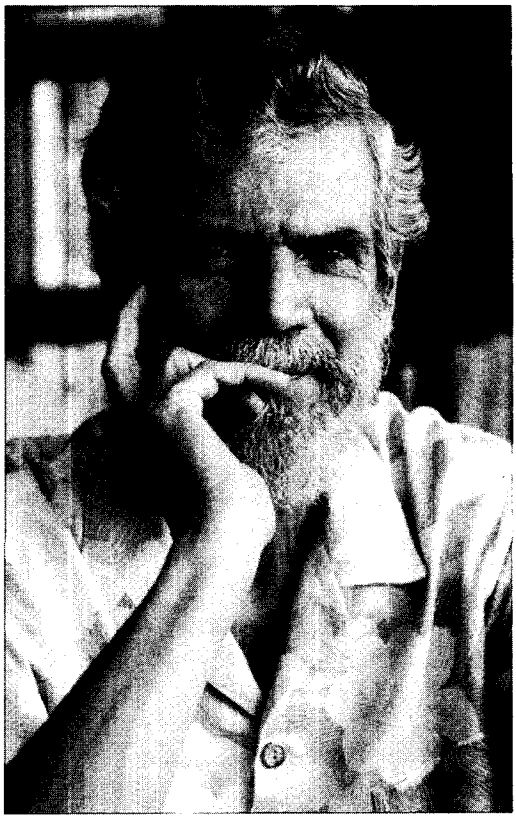
Percentage-wise, communist Cambodia was the worst. Pol Pot's Khmer Rouge murdered about 2 million people, almost a third of the population, between 1975 and 1979. They murdered Muslim Chams, Cambodian-Vietnamese, Buddhist Monks, military officers, anybody who was fluent in a foreign language, anybody who had a college education or professional training, and certainly anybody who violated their regulations. The odds of an average Cambodian surviving Pol Pot's regime were about 2 to 1.

Millions more people were murdered by communist regimes in Afghanistan, Albania, Bulgaria, Cuba, Czechoslovakia, Ethiopia, East Germany, Hungary, Laos, Mongolia, Mozambique, Nicaragua, Poland, Romania, Vietnam, and Yugoslavia. All told, I estimate communist regimes murdered more than 110 million people.

Another 30 million people died during wars and rebellions provoked by communist regimes.

There were plenty of other murderous twentieth-century regimes, too. Between 1900 and 1920, Mexico murdered about a million poor Indians and peasants. After World War II, the Polish government expelled ethnic Germans, murdering about a million. Pakistan murdered about a million Bengalis and Hindus in 1971. Japanese militarists murdered about 6 million Chinese, Indonesians, Koreans, Filipinos, and others during World War II. Chiang Kai-shek's Nationalist Chinese murdered nearly 10 million people between 1928 and 1949.

Although most people have heard that Hitler murdered almost 6 million Jews, few people seem to be aware that Hitler murdered a total of 20 million people—including gypsies, homosexuals, Dutchmen, Italians, Frenchmen, Balts, Slavs, Czechs, Poles, Ukrainians, and others.



Rudolph Rummel

The Freeman: **Your research ought to give one renewed appreciation for the greater peace of the nineteenth century, the heyday of classical liberalism.**

Rummel: Yes. During earlier eras, whenever power has been unlimited, savagery was horrifying.

Ancient histories abound with accounts of cities being sacked and all inhabitants slaughtered. In 1099 A.D., Christian Crusaders seized Jerusalem and massacred between 40,000 and 70,000 men, women, and children. During the twelfth and thirteenth centuries, the Sultan of Delhi reportedly murdered hundreds of thousands of his subjects. The Turkic conqueror Tamerlane slaughtered some 100,000 people near Delhi.

Mongols were the most monstrous murderers before the modern era. In 1221, a Mongol army captured Merv and slaughtered some 1.3 million inhabitants. That same year, the Mongol Tului slaughtered as many as 1.3

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million more in Meru Chahjan. Soon afterward, Jinghiz Khan slaughtered about 1.6 million around Herat. To acquire and maintain his political power, Khubilai Khan reportedly slaughtered as many as 18 million people. I estimate Mongols slaughtered about 30 million Arabs, Chinese, Persians, Russians, and others.

China has been bathed in blood. During the eight years [221–207 B.C.] that the Qin dynasty struggled for supremacy, the estimated population of China dropped from 20 million to 10 million. In the Three Kingdom period [222–589 A.D.] the population dropped from something like 50 million to about 7 million. After the Ming emperor Chang Hsien-chung conquered Szechwan province, he ordered scholars, merchants, officials, wives, and concubines murdered. He had their feet cut off and gathered into huge piles. In 1681, following the Triad Rebellion, an estimated 700,000 people were executed in one province alone. The great peace of the nineteenth century didn't touch China where, during the 15-year Teiping Rebellion, perhaps 600 cities were reportedly ruined, and as many as 40 million people were killed. Moslem rebellions in Yunnan province resulted in some 5 million deaths.

There were atrocities in Western Europe. Jews were blamed for the Black Death of 1347–1352, and thousands were slaughtered. The Spanish Inquisition killed between 100,000 and 200,000 people who were branded "heretics." Fanatical Protestants killed perhaps 100,000 women as "witches" during the Reformation. On August 24, 1572—St. Bartholomew's Day—the French King Charles IX or his officials ordered assaults on French Calvinists, and an estimated 35,000 were killed. During the Thirty Years War [1618–1648], perhaps 7.5 million people were killed. An estimated 137,000 people were murdered during the French Revolution and the ensuing civil war.

And, yes, there were horrors in the Americas. Aztecs killed people as part of their religious rituals, and Spanish conquistadors claimed to have counted 136,000 skulls outside Tenochtitlan. The Incas killed thousands for their religion, too. Between the sixteenth and nineteenth centuries, an estimated 1.5 million slaves died while they were being transported across the Atlantic. Between 10,000 and 25,000 North American Indians were killed as the United States expanded westward.

These are just some of the worst horrors. Before the twentieth century, I estimate that governments were responsible for at least 89 million deaths and possibly as many as 260 million. My best guess is around 133 million.

Again, these numbers don't count battle deaths. I estimate that before the twentieth century, those amounted to some 40 million.

I want to caution readers about the misleading precision of these numbers. They represent the totals of many estimates. I analyzed the estimates as best I could. Obviously, the farther back one goes in history, it's harder to verify numbers. Which is why I tried to establish a range and then indicate a magnitude which seems best supported by evidence. Although the numbers shouldn't be taken literally, I believe they do help identify the worst murderers and the circumstances.

I conclude that nobody can be trusted with unlimited power. The more power a regime has, the more likely people will be killed. This is a major reason for promoting freedom.

The Freeman: **What were the biggest surprises to emerge from your research?**

Rummel: First of all, the unprecedented magnitude of mass murder. Nobody had tried to estimate it before. We have many books about demographics, like total population, the number of people who own telephones and cars. There's data on the number of people who die from heart attacks, strokes, cancer, and accidents. But until recently, there hasn't been any reliable information on the number of people killed by governments. Even though many of us were aware that governments were major killers, the numbers still come as a shock.

During the twentieth century, 14 regimes murdered over a million people, and it would be hard to find a scholar who could name half these regimes.

I was shocked to find that governments kill people to fill a quota. For instance, in the

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Soviet Union under Stalin and China under Mao, the government would set execution quotas. They would decree that perhaps 5 percent of the people are counterrevolutionaries, so kill 5 percent of the people. Writers, entrepreneurs, you name it—kill 5 percent. In retrospect, I can see that murder by quota was the natural thing for these regimes to do, because they had central planners direct production of iron, steel, wheat, pigs, and almost everything else by quota.

I was shocked to discover how officials at the highest levels of government planned mass murder. The killing they would delegate to humble cadres. So much for the notion of government benevolence. Powerful governments can be like gangs, stealing, raping, torturing, and killing on a whim.

Another shocking thing, for me as a political scientist, was to see how political scientists almost everywhere have promoted the expansion of government power. They have functioned as the clergy of oppression.

The Freeman: **What was difficult about estimating the magnitude of government killing?**

Rummel: There's a vast literature, but it's widely scattered, it comes in many different forms, and it isn't indexed or otherwise organized. There are only a few scholarly books, such as Robert Conquest's work on Stalin's Great Terror, estimating the number of people murdered by government. It took me about eight years to go through all the relevant books, reports, articles, chapters, clippings, and the like and sort the information I found.

I then determined the lowest estimates and the highest estimates of democide, and arrived at what I call a "prudent" figure depending on various factors. I concluded that during the twentieth century governments killed at least 80 million people and possibly as many as 300 million, but the most likely number is about 170 million.

Even if it turned out that the low estimates were correct, it's more than twice as many people as have been killed in all the wars before the twentieth century.

From a moral standpoint, I doubt it matters much whether the number is 80 million or 170 million or 300 million. It's an unprecedented human and moral catastrophe.

The Freeman: **Since authoritarian and totalitarian regimes suppress their records, how did you develop estimates for their murders?**

Rummel: Well, among the principal sources, there are usually those sympathetic to a regime and those hostile to it.

The low estimate for twentieth-century mass murders, 80 million, comes mainly from sources sympathetic to the regimes carrying out the murders!

In a few cases, regimes have publicized their murders, often to intimidate people. For instance, Communist Chinese government newspapers would report speeches by officials in which one might boast, "We killed 2 million bandits in the 10th region between November and January." The term "bandit" was standard lingo for presumed "counterrevolutionaries."

After Vietnam invaded Cambodia in 1979, the Vietnamese justified the invasion by releasing data about Cambodian mass murders. They let Westerners see evidence of Khmer Rouge horrors.

Many people who escaped totalitarian regimes brought data about mass murders. They were unsympathetic sources, of course. For instance, Aleksandr Solzhenitsyn's volumes documenting the murderous Soviet gulag. I might add that he had an enormous impact undermining the moral claims of socialism. Many intellectuals, especially in Europe, remained socialists, but they turned against Soviet communism—and the Soviet Union, remember, was long touted as the place where socialism had achieved industrial power and social justice.

The Freeman: **Tell us about your findings on peace.**

Rummel: First, long-established democracies don't wage war on each other, and they rarely commit other kinds of violence against each other, either.

Second, the more democratic two countries are, the less likely they will go to war against each other.

Third, the more democratic a country is, the lower the level of violence when there's a conflict with another country.

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Fourth, the more democratic a country, the less likely it will have domestic political violence.

Fifth, the bottom line: democratic freedom is a method of nonviolence.

The Freeman: **What do you mean by "democratic"?**

Rummel: People have equal rights before the law. Fundamental civil liberties like freedom of speech, freedom of the press, freedom of religion, freedom of association. Free markets. Constitutional limitations on government power. Policies and leaders are determined through open, competitive elections where at least two-thirds of adult males have the franchise. Countries like the United States, Canada, Denmark, France, Great Britain, Sweden, and Switzerland.

The Freeman: **Tell us about your evidence that freedom promotes peace.**

Rummel: I reviewed the evidence and historical studies going back to the classical Greeks.

For example, if one counts as a war any conflict in which 1,000 or more people were killed since 1816, the end of the Napoleonic wars, then there were 33 wars involving 353 pairs of nations—such as Germany versus the Soviet Union. None were between two democracies. There were 155 pairs involving a democracy versus a non-democracy and 198 pairings of two non-democracies.

The period between 1946 and 1986 involved the largest number of democracies—the toughest test for the link between democracy and peace. During this period, 45 countries qualified as democracies, and 109 as non-democracies. Consequently, these countries could be paired 6,876 ways, of which 990 were democracy-democracy combinations. Without going into detail, I applied the binomial theorem to show that the odds were 100 to 1 against the absence of war occurring by chance.

When you analyze other periods, qualify countries with various definitions of democracy, and estimate the impact of other factors such as geographic distance, economic development, military alliances, trade, and so on—democracy always comes out as the best explanation for the absence of war.

This is an incredible finding. It's like discovering a cure for cancer. We have a solution for war. It is to expand the sphere of liberty.

The Freeman: **Why do you think liberal democracies tend to be peaceful?**

Rummel: Power is dispersed through many different families, churches, schools, universities, corporations, partnerships, business associations, scientific societies, unions, clubs, and myriad other associations. There's plenty of competition, and people have overlapping interests. The social order isn't controlled by anybody—it evolves spontaneously.

Democracy is a culture of political compromise, free exchange, peaceful negotiation, toleration of differences. Because time is needed for a democratic culture to develop and gain widespread acceptance, I stress that a peace dividend is achieved as a democracy becomes well-established.

Even though there might be a lot of government interference in daily life through minimum-wage laws, environmental laws, drug prohibition, government schools, and other policies, as long as a democratic culture remains strong, government officials must still negotiate with each other as well as with private interests.

By contrast, as Hayek explained in *The Road to Serfdom*—in his famous chapter "Why the worst get on top"—centralized government power attracts aggressive, domineering personalities. They are the most likely to gain power. And the more power they have, naturally the less subject they are to restraint. The greater the likelihood such a country will pursue aggressive policies. The highest risks of war occur when two dictators face each other. There's likely to be a struggle for supremacy.

Another important reason why democracies tend to be peaceful is that people have a say in whether their government goes to war. They don't want to die, they don't want to see their children become casualties, they don't want the higher taxes, regimentation, inflation, and everything else that comes with war.

When democracies do enter a war for reasons other than self-defense, politicians often find it necessary to deceive the public. In

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1916, this was the case when Woodrow Wilson campaigned on a promise to keep the United States out of World War I, then maneuvered the country into it. And again in 1940, Franklin Roosevelt campaigned on a promise to keep out of World War II, then conducted foreign policy not as a neutral but as an ally of Great Britain and an enemy of Germany. My point is that in the United States, a liberal democracy, there was considerable popular opposition to entering foreign wars, and both presidents deceived the public, which wanted to remain at peace.

The Freeman: **Some people suggest there are big exceptions to your claim that democracies don't make war against each other, like the War of 1812 and the American Civil War.**

Rummel: The War of 1812, of course, was between the United States and Great Britain, but the franchise in Great Britain was then severely limited. Parliament was dominated by members from "rotten boroughs," districts that aristocrats controlled. Booming regions like Manchester had little, if any, representation. Serious electoral reforms didn't begin to come until 1832, and major extensions of the franchise came decades later.

As for the Civil War, I don't consider the South a sovereign democracy. Only about 35 percent or 40 percent of the electorate—free males—had the franchise. President Jefferson Davis was appointed by representatives of the Confederate states, not elected. There was an election in 1861, but he didn't face any opposition. . . .

There are other possible exceptions people sometimes mention, but none of them involve established democracies.

The Freeman: **If democracies tend not to wage war against each other, they sometimes promote coups, assassinations, and other forms of violence abroad.**

Rummel: Such violence tends to be the work of covert agencies like the U.S. Central Intelligence Agency, which have considerable discretionary power and aren't subject to detailed scrutiny by democratically elected representatives.

The Freeman: **What about Western colonialism, which involved violence?**

Rummel: Democracies committed less violence than other types of governments.

For example, compare the way the United States and Britain treated their colonial subjects with what Imperial Germany did. In Africa, the Germans conducted a murderous campaign against the Hereros tribe, and some 65,000 people were murdered. Far worse was the Soviet Union which murdered millions of people in territories it conquered.

Democracies have given up their colonies with less violence than authoritarian or totalitarian regimes. Recall how the British gave independence to Canada, Australia, New Zealand, India, Pakistan, and Sri Lanka. The most tragic fighting was between local rivals such as Moslems and Hindus. Hawaii, which the United States acquired by force, voted overwhelmingly to become a state, and Puerto Rico voted to remain a U.S. territory.

It's true some democracies did worse. France waged long wars in Indochina and Algeria. But the exceptional situation for democracies is the norm for authoritarian and totalitarian regimes like militarist Japan, fascist Italy, the Soviet Union, and Communist China.

The Freeman: **Some people might say that although the United States is a liberal democracy, there's plenty of domestic violence.**

Rummel: It's true the United States has the highest murder rate among Western democracies, but there's decidedly more violence in other countries like Brazil, Burundi, Colombia, India, Peru, Rwanda, Sri Lanka, and Uganda. The United States is well below the world average in domestic violence.

More to the point, I'm talking about how to minimize political violence. While it certainly isn't the only source of violence, it's the worst. I say that securing liberty is the only reliable way of minimizing political violence—revolution, assassination, civil war, military coups, guerrilla war, violent antigovernment riots, and so on.

The Freeman: **Did your research influence your personal views?**

Rummel: It helped convert me from socialist to libertarian.

If somebody had given a speech three decades ago, saying freedom is what promotes

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peace, and tyranny promotes violence, I would have said that was a simplistic explanation which couldn't possibly hold up. Much of my career, I had believed that complex social behavior requires many variables to explain and a complex theory. The surprise was that when I did the research, freedom came out as the single most important factor for peace and nonviolence. That freedom so preserves and secures life I now call the miracle of freedom.

The Freeman: **What's your outlook for liberty and peace?**

Rummel: Our challenge is to extend the sphere of liberty which, in turn, will extend the sphere of peace.

There has been some heartening progress in recent decades. For instance, while there are many disputes in Western Europe, where democracy is securely established, they're routinely handled through diplomatic channels, the European Community, or other peaceful means. France and Germany even have been considering a common army. This would have been inconceivable to people during the 1930s.

Closer to home, there's the border between the United States and Canada. It's one of the world's longest borders, and it's unarmed. People in North America take it for granted, but it's quite an amazing phenomenon when you consider all the wars still being fought over territory. These examples involve liberal democracies, and peace is the norm.

Markets are strong influences for democracy. For instance, foreign direct investment, which now exceeds $1.5 trillion, transfers technology to host countries. It provides jobs. It trains local people in business. It helps nations develop their resources and human capital. Most important, foreign direct investment promotes economic development and a civil society independent of government, and this promotes democracy. America should cut its own trade barriers and encourage freer trade everywhere.

America should apply nonviolent pressure aimed at persuading nondemocratic elites to improve the human rights of their people and gradually move toward democracy. I envision a nonviolent crusade by the democracies, the most important one since the great crusade against slavery.

The Freeman: **Thank you very much.** □

HAD ENOUGH?

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THE FREEMAN
IDEAS ON LIBERTY

The Amazing Creative Power of One

by Stanley I. Mason, Jr.

Large organizations may have enormous influence, but only individuals think. Only individuals develop ideas. Better ideas enable new products to gain market share from famous brands—and small companies to beat big companies by overcoming such competitive disadvantages as limited capital, low brand recognition, weak distribution, poor location, and late entry into a market. Perhaps nothing levels a playing field like a better idea. Without good new ideas, progress stalls and civilizations perish.

I see the enormous impact of ideas everyday. With more than 60 patents, I've helped develop over 100 products and improvements for companies like American Hospital Supply, Chesebrough-Pond's, Colgate-Palmolive, Frito-Lay, General Electric, Johnson & Johnson, S.C. Johnson, Kimberly-Clark, Lipton, McDonald's, Nestlé, Neutrogena, Nike, Pepperidge Farms, Playtex, Procter & Gamble, Reebok, Richardson-Vicks, Schick, Scott Paper, Tetley, Tupperware, and Velcro. Although these companies have multi-million-dollar budgets and plenty of bright people on staff, they report that innovative ideas are always in short supply.

Early on, I learned the power—and profit potential—of ideas. My first invention dates back to when I was seven years old. I had asked my father for 15 cents to buy minnows so I could go fishing in the canal behind our house in Trenton, New Jersey. He turned me down because he thought fishing was a waste of time. My mother suggested I might make a fishing lure that would last a long time. She gave me a wooden clothespin, and I whittled it roughly into the shape of a minnow. I added a hook at one end and an eye at the other. I tried it, but I could see fish weren't interested. I looked through an encyclopedia to see what colors might attract fish, and the answer seemed to be green, black, and white. I whittled another lure, painted it, gave it a trial, and within about 20 minutes I caught a nice bass.

Neighborhood kids were excited by how easily I caught fish, and soon I was in business making lures. I could make one every 15 minutes and sell it for 25 cents. I developed a whole product line with lures aimed at attracting different kinds of fish. I learned I could create a product people wanted, and its benefits could be demonstrated.

My next enterprise involved boomerangs because I had become fascinated with birds, gliders, and airplanes. I made boomerangs by

Mr. Mason, Inc. Magazine *Entrepreneur of the Year, has been inducted into the Entrepreneur Hall of Fame (University of North Carolina). Based in Weston, Connecticut, he has lectured at more than 20 colleges and universities across the United States and Canada. He has been the University of Connecticut's Director of Entrepreneurship Development, and he is regent for the Sacred Heart University, Fairfield, Connecticut. He is on the Board of the National Congress of Inventor Organizations and serves as a trustee of the National Council for Industrial Innovation.*

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sawing "L" shapes out of plywood. I sandpapered the edges so they became airfoil sections on the front and rear of each wing. They flew beautifully, and I could get $1 for each boomerang that cost me only 12 cents to make. I soon learned I could hire my friends to saw out the pieces and sandpaper the edges. I could make money simply by drawing the lines.

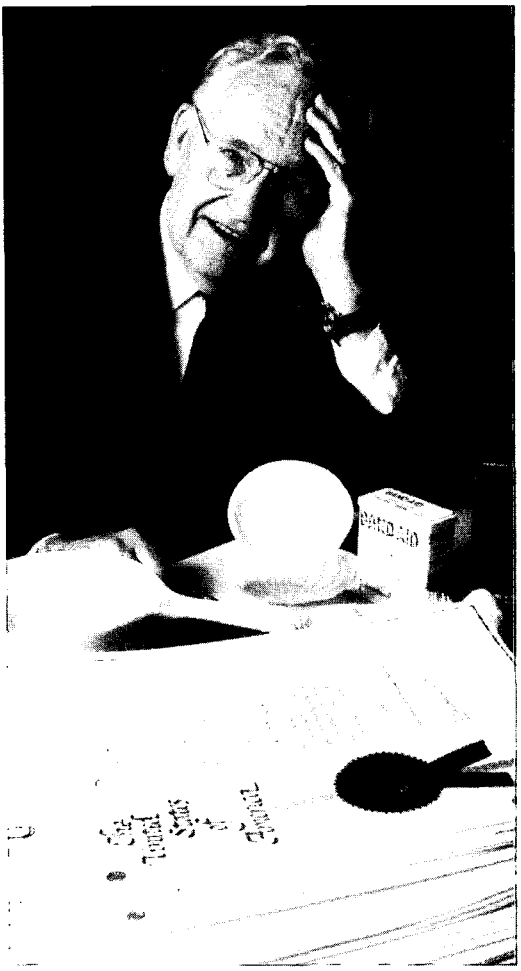
When I was eight, my mother arranged for me to take drawing lessons. Every Saturday for five years, I walked to class. I spent a year working with pencil, a year with watercolor, a year with oil paints. I was asked to draw common things like knives and forks. Then houses and people. Gradually I became obsessed with observing the world around me.

My father, an electrician, was a great help. He showed me how to use his shop, which had a drillpress, power saw, lathe, vise, and a foundry. He emphasized the potential dangers of the tools and let me work with them as long as I cleaned up afterward. I designed and built dollhouses, which I sold. I also sold model yachts that kids could sail in the canal.

Public schools I attended just weren't set up to nurture creativity and independence. I recall being locked in the principal's office for having refused to color within the lines of a third-grade workbook. My uncle had taught me how to read before I entered school, and I learned how to write not by taking an English course, but by joining the high school newspaper and seeing how news and feature articles were put together. I did have a ninth-grade math teacher who talked in terms of the projects that interested me, and my math grades soared.

One day I went to the Trenton Public Library and I talked to the librarian. She hired me to work as a page from 4:00 p.m. until 9:00 p.m., for 25 cents an hour, reshelving books. Then I worked in the circulation department and was sent to get books from the shelves. I spent a year with the reference department, then worked in the technology department. I learned that everything had a name and that numbers were important. I learned there were all kinds of subjects. I learned more in the library than I ever did in high school.

I attended a local college on a scholarship and then worked for a variety of big companies. I observed that one of the hardest things for people to do is to create better ideas—especially within the confines of a large organization. New ideas require the freedom to see things from a fresh point of view—and the courage to take action. When people are worried about their mortgages and other family expenses, they are often afraid to risk their corporate careers by promoting new ideas that might not pan out. I understand, because I've been fired by some of the best companies. In 1973, I started my own firm, Simco, to use the talents that got me fired.



Stanley Mason

Competition and Innovation

An invention is usually a modification of an existing product, so the more products there

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are out there, the more opportunities for inventors. I try to invent a product that replaces something a company already has. I make the next model and get a patent on it. Then I call the product manager and say, "I have developed a product that makes yours obsolete. It's patented. It doesn't cost any more than yours, and it uses the same machinery. I'd like to license it to you." And the product manager pays me a visit, because he or she knows that competition spurs everybody to improve.

Many of my most successful inventions began with observations that anybody could have made. For example, years ago when I was changing my son's diapers, I noticed that a baby's bottom was round, but the cloth diapers were square. And a squirming baby made it difficult to work with the safety pins needed to hold a cloth diaper together. Later, I was asked to generate new product ideas for a major paper company. Research revealed there was a disposable paper diaper on the market (from Sweden), but it was square, and leaks were a problem. I thought a diaper shaped for a baby's anatomy would work better.

How to produce a form-fitted disposable diaper efficiently? After a number of experiments, I took a roll of paper and cut it into a long series of back-to-back hourglass shapes. Cut these where the broad part of each hourglass join, and you have individual diapers. Put two sticky tabs at one end of each diaper, and you don't need safety pins. Insert an absorbent pad into the middle part. The pad is thicker on one end. Because of the way a boy urinates, the thicker end goes on top, and it goes the other way around in a girl's diaper. As you undoubtedly know, disposable form-fitted diapers took over the market.

In the early days of microwave ovens, I bought one. It came with directions for cooking a chicken: put a large glass dish in the microwave, then put two upside-down saucers in it. Lay the chicken in the saucers and cook for a few minutes. Well, chicken fat got all over the inside of the microwave. I thought this was a terrible way to cook a chicken.

Since more and more people were using microwave ovens, I figured there would be a need for appropriate cookware. But designing it required knowing how energy was distributed within a microwave oven. Some special equipment could have given me answers, but it cost a lot of money. I hit on a simple solution. I laid out rows of popcorn on a plastic tray, put the tray in the microwave and turned on the oven. I could determine where the energy was most intense by observing which popcorn popped first. I raised the plastic tray, put more popcorn on it, and repeated the process until I had diagramed the mushroom-shaped pattern of most intense energy.

I designed microwave cookware to take advantage of this pattern. Generally, the microwave cookware was oval or round, and it was raised up from the floor of the oven by about an inch. Microwave energy would cook the food as it bounced up and down through the food. I made prototypes out of clay and plastic, and they were tested. Eventually, we had about 20 utensils for various kinds of food. They have gone into thousands of stores, including Sears and J.C. Penney.

Hunt Foods asked me what might be done about the gallon bottles they used for their cooking oil. The bottles were manufactured at one factory, then shipped to the oil-processing factory. This was expensive, and there was some breakage during shipment.

I thought polyethylene would be a better material, because polyethylene pellets could be shipped to the oil-processing factory and molded into gallon jugs with equipment that didn't take a great deal of room. I came up with a jug design that addressed the "glug-glug" complaint about gallon bottles (as you pour, the flow of air into the bottle disrupts the flow of oil out, and spills are common). I designed a hollow handle and a contoured overall shape which makes for smoother air flow and smoother liquid flow, eliminating the tendency to spill. This design has become standard in billions of gallon jugs used for milk, water, and other things.

Opportunities for better ideas are all around us. To help get ketchup out of a bottle faster, I developed squeezable bottles. I developed flower pots that protect against over-

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watering and yield 30 percent to 50 percent bigger plants. I designed a full-face, disposable surgical mask that enables a doctor to wear glasses within the mask. To provide work for a food factory in the winter, I developed a product line of snacks and desserts. I developed a unique room-fragrance-generating system that turns itself on and off automatically—ideal for home bathrooms, for instance.

Burglars commonly go around a house and try every door, hoping to find one that's unlocked, so I developed an "early warning" burglar alarm that can alert you as somebody outside touches a doorknob. When the market for plain gelatin was withering away because so many people preferred flavored Jello, I set up a series of tests which showed how plain gelatin can work as a great fertilizer. Gelatin is almost 100 percent protein. Watering once a week with a gelatin solution can double the size of many popular plants in just six weeks, and it doesn't hurt if you use too much gelatin. This idea, which actually came from the wife of a Knox Gelatin marketing executive, was credited with helping to save the brand.

Individual Creativity

What I try to teach is that everything around us was invented, designed, or developed by some individual. The creative process is never an accident.

I believe that no matter what the product is, there is something better. I gain pleasure from the unknown, earning profits by making improvements.

Most ideas don't work, so my "secret" is to keep trying. Sometimes a solution that doesn't work today is the solution to a problem in eight months. You never really lose the information. The nice thing about failure is that it gives you new ideas.

One must make education a lifetime pursuit. I am a voracious reader. I subscribe to about 250 publications. I spend about two-thirds of my waking time reading. I believe in creative procrastination: putting off a chore so you'll have a few minutes to think.

My hobby is visiting factories—old and new—to find out how things are done. The problem with many companies is that the people who do the thinking don't know how to make the thing they're thinking about. The actual chemistry and physics of these things and how people interact with them are terribly important.

A lot of beginning inventors think they need money. I don't believe that's a big issue. What they need are *ideas*. They need to travel, talk to all kinds of people, and experience lots of different things.

Never underestimate the power of a small idea. For example, a safety pin is simply a straight pin bent in a different way.

Where do you find financing for a start-up venture? Mortgage your house. I've done it several times. Or you could see if somebody in your family could provide some financing. Banks can't be counted on to help. I've lost my shirt two or three times—but I find other shirts.

Private workspace is important. I'm reminded of a study done by Bell Labs. They asked computer programmers why some were more productive than others. It didn't matter where the most productive ones were born, where they lived, or who their parents were. The only thing they all had in common was that they had their own workspace, they could control their own heat, and they had an outside view.

You can come up with better ideas, too, if you really observe things around you and free your mind to see the unlimited possibilities. □

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THE FREEMAN
IDEAS ON LIBERTY

A Victim of Wetlands Regulations

by Marisa Manley

Since 1968, James J. Wilson's Interstate General Co., L.P., has been developing a 9,100-acre planned community in Maryland, called St. Charles. It is located about 20 miles from Washington, D.C., and some 33,000 people live there.

Recently, the *Washington Post* reported, Maryland Governor Parris N. Glendening cited St. Charles, with its clustered houses, apartments, townhouses, and commercial buildings, as an example of his policy initiative called "Smart Growth." The Maryland Department of the Environment awarded St. Charles a "Certificate of Appreciation" for "contributions to the improvement and strengthening of Maryland's sediment, stormwater and nonpoint source programs."

Interstate General has been following the development plan cleared by the Environmental Protection Agency, Fish and Wildlife Service, Soil Conservation Service, Army Corps of Engineers, and state regulators more than 20 years ago. The company's *Draft Environmental Impact Statement for St. Charles Communities, Charles County, Maryland*, prepared with the Department of Housing and Urban Development, covered the development of 9,100 acres, or 14 square miles, which could eventually accommodate 80,000 people.

Now for doing what all these officials approved, Wilson faces four felony counts, multi-million-dollar penalties, and jail time. This has depressed the market value of the company by $100 million. Federal bureaucrats have done their best to destroy his reputation and torment his family. Wilson's wife and six children were devastated to see U.S. attorneys grab headlines by portraying him as an environmental criminal.

Trouble began when an Army Corps of Engineers inspector visited the company on April 18, 1990. The inspector had noticed that the company had deposited between 19 and 40 inches of soil on two-and-a-half acres of a property called Parcel L, adjacent to Route 925 and Smallwood Drive, in Charles County, Maryland. He claimed the property was a wetland. He insisted the Army Corps of Engineers had jurisdiction over wetlands, and declared nobody could put soil on a wetland without a permit from the Army Corps of Engineers.

Wilson, who is chairman and CEO of Interstate General, told the inspector that the property didn't have any water on it. In the past, the property had been seasonally wet and had been lawfully drained. It was one of the highest pieces of land in the county, about 200 feet above sea level.

Wilson told the inspector that Interstate General had received the necessary permits and approvals from Charles County and the Maryland Department of the Environment, which had approved the company's proposed

Marisa Manley's articles have appeared in the Wall Street Journal *and* Harvard Business Review.

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system of drainage channels and sediment lakes to control any pollution and prevent sediment runoff. "We played by the rules and got all the permits we thought were required," Wilson said.

The Clean Water Act (1972) outlawed the dumping of dredged or fill material into a navigable waterway unless the Army Corps of Engineers issued a "section 404" permit. But Parcel L was nine miles from a navigable waterway, so in 1976 the Army Corps of Engineers reported that Wilson's plans "do not have a clear connection to interstate commerce." Consequently, the chief of the Planning Division told Wilson: "The construction of St. Charles Communities will have no impact on our area of responsibility." In other words, no section 404 permit was needed.

Since then, environmentalist litigation required the Army Corps of Engineers to draft regulations asserting jurisdiction over wetlands. But for years essentially all they could say was that a "wetland" was a swamp or marsh. They couldn't point to a spot on somebody's property where a "wetland" ended—and would be free from bureaucratic interference. But in 1987 the Army Corps of Engineers issued *Delineation and Identification of Jurisdictional Wetlands*, a 150-page manual which defines wetlands in terms of soils, water saturation, and other factors, and claimed federal government jurisdiction over wetlands adjacent to navigable waterways of the United States. Congress, however, didn't see fit to amend the Clean Water Act. You still won't find the word "wetland" in it. Interstate General has long developed properties using drainage channels and sediment lakes. The amended Clean Water Act didn't give the Army Corps of Engineers any more jurisdiction than they had before.

No Appeal

The Army Corps inspector issued a cease-and-desist order against depositing any more soil, and he issued an order demanding that Wilson remove the soil from Parcel L. (Wilson wanted to know what the legal basis was for the order, but the inspector wouldn't say.) Wilson was shocked to discover there wasn't any appeal process within the Army Corps of Engineers, any way a citizen could appeal a decision rendered by a rank-and-file bureaucrat. Even the Internal Revenue Service has an appeals process. At the Army Corps of Engineers, you could request an interview with a higher-up, but they didn't have to see you, and they certainly weren't obliged to give you a hearing or weigh evidence from both sides. Short term, Wilson had no choice, and he had the soil removed, at a cost of $160,000.

But Wilson had long developed properties that were environmentally correct, and he was outraged at the Corps' high-handed tactics. "We had played by the rules—which we had nothing to do with making—and now the Army Corps of Engineers was changing the rules. It wouldn't cost them a penny, but it would throttle our plans, which had taken years to develop and on which millions of dollars of commitments had been made."

Wilson figured that if he—who could afford to mount a legal counterattack—did not fight the Army Corps of Engineers, then how could anyone else be expected to fight? In the spring of 1991, he filed a suit charging that the cease-and-desist order amounted to a taking for which just compensation was due under the Fifth Amendment of the U.S. Constitution. They stalled for two years, refusing to identify the legal basis for their claims. Without retreating, they told the court in 1993 that they still hadn't identified wetlands on their property. The court dropped the case, but Interstate General was still prohibited from further developing its property.

Three months later, U.S. Attorneys in Baltimore began a grand jury investigation that took months. In October 1993, the grand jury indicted Interstate General, its subsidiary St. Charles Associates, and Wilson. They were accused of clearing, ditching, draining, and filling a wetland on Parcel L and three other sites—50 acres altogether. Yet the Army Corps of Engineers had never once suggested there was anything wrong with what they did on those sites. All of them are more than six miles from the Potomac River and hundreds of yards from the nearest creeks, none of which is navigable. Moreover, the company

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For turning a wetland into a lake, Maryland businessman James Wilson faces federal fines and imprisonment.

ended up filling 20 of the 50 acres with water to make lakes, and much of the remaining property became open space.

Wilson Fights On

U.S. Attorney Lynne A. Battaglia offered Wilson a settlement. They wouldn't prosecute him if he agreed to pay a $1-million fine and admit to having committed four felonies. Wilson knew that defending himself against the charges would cost more than $1 million, and the settlement would have protected him and his family from further prosecution. "But I come from stubborn Irish stock—my father had fought for Irish independence back in 1922. I declined the offer." Extortion is extortion even if it's practiced by the United States government.

The case went to trial in January 1996. The government prosecutors told the judge that the Army Corps of Engineers has jurisdiction over the property because rain falling on our land ultimately drains via "intermittent streams" into navigable waterways. The theory here amounts to claiming federal jurisdiction over virtually every piece of ground in the entire United States—everywhere it rains. In any event, none of the "intermittent streams" she alluded to are depicted on official quad maps published by the Army Corps of Engineers and the U.S. Geological Survey. Nor do the maps show any wetlands in the disputed areas. Nor was any evidence presented that Wilson's filling of four parcels affected interstate commerce.

The prosecutors repeatedly claimed Interstate General was "destroying" wetlands, al-

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though the government's own expert agreed that "if you're there in June, especially July or August, September or October, they tend to be dry." The government expert added the properties retain water for only "a short period of time." Other government experts disclaimed any specific environmental harm that might have resulted from draining these properties or prior development of nearby properties. Elsewhere big projects have been canceled because of alleged potential harm to animals, fish, or plants, but this wasn't an issue.

In any case, no federal statute required that wetlands be protected. The closest thing was the Clean Water Act, which prohibited the "discharge of any pollutant" into certain waters without a permit. The Corps was authorized to issue permits only for "the discharge of dredged or fill material into the navigable waters." The Supreme Court case, *U.S. vs. Riverside Bay View,* extended Corps jurisdiction to wetlands immediately adjacent to navigable waters, but St. Charles is six miles from navigable waters (the Potomac River). Interstate General's case presents a direct challenge to government power over millions of acres deemed to be "jurisdictional wetlands," and this outrages environmental extremists.

The Corps also claimed that Interstate General's draining of wetlands violated the "Tulloch rule," which they had adopted in an attempt to make lawful draining of wetlands virtually impossible. The government's star witness against the defendants conceded that their regulations effectively required one to use a helicopter for digging a drainage ditch.

The government claimed it was a crime to dig a ditch and leave the dirt alongside the ditch—a practice known as "sidecasting." But no federal statute mentions "sidecasting," nor is there any statute or regulation which in other terms describes the placing of excavated dirt alongside a drainage ditch. Nor had any court ever ruled that "sidecasting" is a crime. (In January 1997, U.S. District Judge Stanley S. Harris subsequently ruled that the "Tulloch rule" went beyond what was authorized in the Clean Water Act. "The appropriate remedy for what the agencies now perceive to be an imperfect statute is congressional action," Judge Harris wrote.)

In accordance with the prosecutor's wishes, U.S. District Court Judge Alexander Williams, Jr., had instructed the jury that they must return a guilty verdict if they believed Interstate General had drained wetlands and deposited dirt alongside drainage ditches, which Wilson had always acknowledged doing. Judge Williams disregarded all requests to show where in the law these things were prohibited. On February 29, 1996, the jury came back with a guilty verdict.

Judge Williams announced the sentence on June 17, 1996: 21 months' imprisonment and a $1 million fine for Wilson, a $3 million fine for Interstate General and St. Charles Associates. This was the first time in American history anybody was ever prosecuted for depositing dirt alongside a drainage ditch.

Wilson appealed to the Fourth Circuit U.S. Court of Appeals, and they stayed his prison sentence pending appeal, which was heard on March 3, 1997. There were three judges, and rather than take the prosecutor's word that the Army Corps of Engineers had jurisdiction over property which wasn't anywhere near a navigable waterway, they actually looked at the statute and noted it didn't grant any such jurisdiction.

One of the judges asked the prosecutor how one would lawfully drain a wetland. The prosecutor talked about laying mats alongside a ditch as it was being dug, so that the dirt could be put there and not directly on the ground—thereby seeming to concede Wilson's contention that it is lawful to drain a wetland. The judges didn't seem to buy the prosecution claim that one should be branded a polluter for digging dirt that had always been there and depositing it a few feet away on other dirt. This didn't leave much of a case for the prosecution.

Thus far, Wilson's legal bills have soared over $5.7 million, and the Army Corps of Engineers has impeded further development until the issues are resolved. How can a small property owner possibly defend himself or herself against the Army Corps of Engineers? It's intimidating to face the prospect of ruinous legal costs, the tremendous time required

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for a proper legal defense, the agony of a long, drawn-out legal proceeding.

What kind of signals is the government sending developers who are interested in building environmentally sensitive projects? For their trouble, they are treated like common criminals.

Moreover, requiring people to obtain Army Corps of Engineers permits invites corruption because it gives bureaucrats the power of life and death over multi-million-dollar projects. Power corrupts police. Power corrupts Congressmen. Power corrupts White House officials. Power corrupts.

What this case illustrates is bureaucracy run amok. Congress had an open debate on a law which became the Clean Water Act. Among other things, it added to the jurisdiction that the Army Corps of Engineers had over navigable waterways. Then the Army Corps of Engineers issued regulations which—without any Congressional authorization—extended its jurisdiction far beyond navigable waterways to practically the entire United States on the theory that some rain might ultimately find its way into a navigable waterway.

In its commentary on the case, *Wall Street Journal* deputy features editor Max Boot remarked that "It's bad enough to think that prosecutors twisted the law and hounded an innocent man into prison. What's even more frightening is to suppose that the law was applied correctly in this case. That means many more can expect to suffer Jim Wilson's fate."

As Washington attorney Nancie Marzulla remarked recently, "That's environmental law, 1990s-style. The ease with which a prosecutor can obtain a conviction for a wetlands violation is shocking." □

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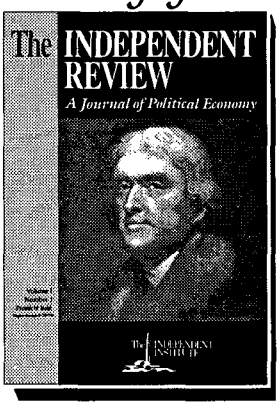

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The Predatory Bogeyman

In the literature of anti-capitalism, the dominant bogeyman is unquestionably the big, private, profit-seeking company. Is there a sin imaginable that hasn't been laid at the doorstep of those who own or manage large firms?

Defenders of capitalism have produced powerful arguments and voluminous evidence exposing much of the anti-capitalist literature as mythology—attacks that seem plausible on the surface but which dissolve when set against either economic principles or practical experience.

One of the more common attacks concerns a strategy that, according to the mythology, big companies employ often and successfully against their smaller competitors. It is known as predatory price-cutting, commonly understood as the practice of underselling rivals to bankrupt them, and then raising prices to take advantage of the absence of competition.

Recently, when an anti-capitalist professor raised this issue, I asked him if his state-subsidized university was engaging in this very thing by charging tuition that did not cover its instructional costs. Private colleges, I pointed out, can't combat this competition by relying on taxes to level the playing field. My professor friend responded by arguing that predatory price-cutting assumes an evil intent, and no government really intends to drive private colleges from the market by establishing its own universities. Besides, he said, we must look at the *actual effects*: private colleges indeed exist and even thrive, in spite of the subsidized competition.

In referring to actual effects, the professor was unwittingly making a point that undermined his case. Predatory price-cutting is a theory that, more often than not, falls apart when it leaves the classroom and enters the real world. The fact is, in a free market, large firms rarely attempt it and when they do, they usually fail at it. Even large firms that have the power of government on their side find it much harder to succeed as predators than the theory at first suggests.

The early experiences of a company that is celebrating its 100th anniversary this year provide an interesting case in point. The Dow Chemical Company—an industrial giant famous for its aspirin, chlorine products, and plastic wrap—was once a "prey" that many expected would not survive.

Herbert Dow, the founder, had already started two other chemical companies by 1897: one went broke, and the other fired him. "Crazy Dow" was what the folks in Midland, Michigan called him. Like David fighting Goliath, he did battle head-on with large German chemical monopolies and eventually toppled them from world dominance. It was hard to tell, in the end, who was really the predator and who was really the prey.

Dow's key product was bromine, which he could sell as a sedative or as a chemical to develop photographs. He invented a process to separate bromine from the sea of brine

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underneath the city of Midland. With gusto, Dow sold his bromine inside the United States, but not outside—at least not at first.

The Germans had been the dominant supplier of bromine since it first was mass-marketed in the mid-1800s. No American dared compete overseas with the powerful German cartel, *Die Deutsche Bromkonvention*, which fixed the world price for bromine at a lucrative 49 cents a pound. Customers either paid the 49 cents or they went without. Dow and other Americans sold bromine inside the United States for 36 cents. The Bromkonvention made it clear that the Americans were lucky to be allowed to sell at all, and that if they tried to sell outside America the cartel would flood the American market with cheap bromine and drive them all out of business.

By 1904, Dow was ready to break the rules: He moved to sell bromine in Europe and Japan at a price well below that of the cartel. Before long, the Bromkonvention went on a rampage. It poured bromides into America at 15 cents a pound, well below its fixed price of 49 cents, and also below Dow's 36-cent price.

Was Dow the helpless little guy, about to be smashed by the evil German capitalists just like the predatory price-cutting theorists would have predicted? Quite the contrary, he was the quintessential entrepreneurial genius who gives capitalism its cutting edge. He had his agent in New York discreetly buy hundreds of thousands of pounds of German bromides at the cartel's 15-cent price. Then Dow repackaged the German bromides and sold them in Europe—including Germany—at 27 cents a pound. "When this 15-cent price was made over here," Dow said, "instead of meeting it, we pulled out of the American market altogether and used all our production to supply the foreign demand. This, as we afterward learned, was not what they anticipated we would do."

Indeed, as historian Burton Folsom reveals in his forthcoming book, *Empire Builders: The Vision and Influence of Michigan's Early Entrepreneurs*, the Germans were befuddled. They expected to run Dow out of business; and this they thought they were doing. But why was U.S. demand for bromine so high? And where was this flow of cheap bromine into Europe coming from? Was one of the Bromkonvention members cheating and selling bromine in Europe below the fixed price? The tension in the cartel was dramatic. According to Dow, "the German producers got into trouble among themselves as to who was to supply the goods for the American market."

The confused Germans kept cutting U.S. prices—first to 12 cents and then to 10.5 cents a pound. Dow meanwhile kept buying these cheap bromides and reselling them in Europe for 27 cents. By the time the Bromkonvention finally caught on to what Dow was doing, it had lost the price-cutting war. Dow had secured new markets for his own company with his competitors' product, and he was now in a position to build a chemical giant. He went on to beat foreign, government-subsidized cartels in dyes and magnesium. Consumers of ever cheaper and better products were the biggest winners.

The predatory price-cutting charge is most commonly applied to the early history of John D. Rockefeller's Standard Oil Company. But here, too, the record departs from the rhetoric. Professor John S. McGee, writing in the October 1958 *Journal of Law and Economics,* showed conclusively that Rockefeller did not engage in the practice because he was smart enough to know that other entrepreneurs weren't helpless nitwits who would take it lying down. (For a more complete explanation, see either McGee's article or my own in the March 1980 issue of *The Freeman,* "Witch-Hunting for Robber Barons: The Standard Oil Story.")

Anti-capitalist literature is rife with demons, monsters, and other assorted bogeymen, but so are fairy tales. □

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THE FREEMAN
IDEAS ON LIBERTY

How We Privatized Social Security in Chile

by José Piñera

Social Security is the single largest government program in the United States, spending $350 billion a year—more than the defense budget during the Cold War.

The bad news is that Social Security is approaching bankruptcy. It won't be able to pay all the benefits everybody has been promised. This is because any pay-as-you-go social security system has a structural flaw: it destroys the link between work and reward, personal responsibilities and personal rights. Whenever that happens for a large number of people over a long period of time, disaster is almost inevitable.

If nothing is done for another decade, the problems in the United States will be overwhelming. And it is not only experts who know this. A recent poll suggests twice as many young Americans believe in flying saucers than believe Social Security will make good on its promises.

The good news: there is an alternative that works. It was developed in Chile where a pay-as-you-go social security system had been started in 1925, more than a decade before it was enacted in the United States. Instead of paying a payroll tax, every Chilean worker sends his monthly contribution—between 10 percent and 20 percent of wages—to a tax-deferred pension savings account. This is the individual's private property. An individual can easily find out how much is in his or her pension savings account. Now the biggest asset of Chilean workers isn't their used car or their mortgaged home. Their biggest asset is the capital accumulated in their pension savings account. These contributions are invested in capital markets through private investment managers, yielding real positive rates of return. There are some interventions, including guidelines to exclude highly risky investments from pension savings accounts, but there aren't any compulsory investments, certainly not government securities. Chilean workers have become a nation of business owners—capitalists.

In Chile, if you aren't satisfied with the way your pension savings account funds are being managed, you can switch to another investment company, known in Chile as an AFP. When you change jobs, you take your pension savings account with you. It's as portable as your bank account.

Moreover, Chileans can now decide when they wish to retire. A worker figures how much he has accumulated thus far in his pension savings account and what additional percentage must be deducted from each paycheck so that when his chosen retirement date arrives, he will be able to buy an annuity yielding 50 percent of his last wages.

José Piñera, former Minister of Labor and Social Security of Chile, is president of the International Center for Pension Reform and co-chairman of the Cato Institute's Project on Social Security Privatization. He is author of Empowering Workers: the Privatization of Social Security in Chile *(Cato Institute).*

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To those who express concern about the compulsory element of the Chilean privatization, I say this: we didn't introduce compulsion. It was already there. We reduced it, gave people far more choice than they had before. Moreover, since the very beginning, contributions have been based on the first $25,000 of income, while wages have soared, which means the compulsory element becomes less onerous each year.

Taking Politics Out of the Pension System

The Chilean Constitution protects pension savings accounts from government expropriation, because we know that whenever politicians see a huge amount of money accumulated, they become greedy. Taking politics out of the pension system means that pressure groups can't lobby legislators to siphon a worker's money for somebody else. Pension savings accounts cannot be touched even during war. In that event, the government could issue war bonds, but they have no business taking private pension savings accounts. It's private property.

The Chilean investment-management industry is competitive—with free entry—as in the United States. We have 15 AFPs, two of them owned by U.S. firms. Competition is important because it spurs companies to improve investment returns and to minimize commissions.

What about poor people? I don't believe anybody should be barred from having a private pension account just because they're poor. That somebody might be poor at, say, age 25, doesn't mean they'll be poor at 40. With the Chilean system, everybody goes through life contributing at least 10 percent of their earnings. If by the time a man reaches 65, or a woman 60, an individual can't afford to buy an annuity yielding a minimum income, then the government supplements their accumulated capital to reach that level.

But we retained the vital link between work and reward. The more you put into your pension savings account, the more you will be able to take out. This is in dramatic contrast with Chile's government-run pension system. Workers paid up to 25 percent of their salaries into it, yet by 1980 it was broke. Like U.S. Social Security, the government-run Chilean system paid out often meager benefits which weren't related to individual effort and contributions, so there was a lot of discontent. And like U.S. Social Security, the government limited the ability of people to collect—with any pay-as-you-go government pension system, free choice about retirement age isn't allowed, because somebody else would be forced to finance your early retirement.

Moreover, politics had resulted in special privileges concerning when people could collect from their government-run pension. Factory workers couldn't collect until after age 65, white-collar workers, after 55. Bank employees could begin collecting after 25 years of work, members of Congress, after only 15 years!

Why give government such incredible power over your life? Working or not working has a lot to do with human happiness. There are some people who enjoy working well into their 80s. Others want to collect pension income and go fishing at 50.

How to handle the transition from a government-run system to a private pension saving system? In Chile, we had three rules, which entailed a degree of compulsion.

First, we continued paying the elderly who had become dependent on the government-run system. We didn't touch those benefits. Second, we offered every worker the freedom to stay in the government-run system at his own risk. Or the worker could leave the system completely and begin his or her own pension savings account. Third, we required new entrants to the labor force to join the pension savings account system, because we believed it was irresponsible to go on burdening our children and grandchildren with an unfunded debt.

Before we introduced a law for pension savings accounts, I spent six months explaining how they would work. Every week, I went on prime-time TV and spoke for three minutes. Sometimes I had a clock right beside me, because everybody knows that politicians promise to be brief, then go on and on. Viewers could see when three minutes were up.

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I said "I'm the Secretary of Labor and Social Security, and I don't know how much money I have in the Social Security system. Do you know how much money you have?"

Next week, I came back and said, "Would you like to have your money in a passbook like this?" I held one up to the TV camera. I said, "You can keep it at home and look it up. Next week, I will tell you how it will work."

Next week, I asked, "Are you worried about safety?" I talked about how your pension contributions would go into a diversified mutual fund of your choosing, whose assets would be kept apart from the assets of the investment manager. The bankruptcy of an investment manager, if that occurred, wouldn't touch your pension savings account.

And so on, explaining one aspect of the proposed pension savings accounts at a time.

Initially, I encountered skepticism. Many were against the proposed new system. It meant radical change and seemed risky. Nobody else in the world had done anything like this. "Why not be the first?" I suggested. "Someone has to be first."

At the end of each three-minute TV segment, I had always emphasized that if you don't like the proposed new system, you don't have to join it. People became intrigued with this government official who spoke pasionately about an idea but offered the freedom to turn it down. People began to say there must be something very good about the idea.

After a while, people everywhere were talking about the proposed pension savings account. They began asking when a new law would come.

While popular support was growing for it, there were formidable interest groups against it. Labor union bosses declared that pensions must not be based on individual choice. They were opposed to having pension contributions managed by private investment managers. The bosses demanded power to control where pension contributions went. I was offered perks, such as the free use of a beautiful beach resort. The bosses made clear they would do everything they could to make my life difficult if I didn't yield to their demands.

The new law was approved on November 4, 1980—the day, as it turned out, when Ronald Reagan was elected president of the United States.

The law was to take effect six months later, May 4, 1981. But it occurred to me, though, that since May 1 is Labor Day in Chile, as well as most other countries, there would be enormous symbolic significance if pension savings accounts began on Labor Day. Traditionally, this had been celebrated as a day of class struggle, with parades displaying the red flags of those who hated private employers.

I took the liberty of changing the starting date of the new law to May 1. Afterward, Labor Day was celebrated as the day Chileans were able to free themselves from big government and take control of their pension contributions.

An Enormous Response

Despite critics who warned people not to trust the private sector, the response was enormous. During the first month, 25 percent of Chilean workers—about 500,000—opted out of the government-run system. By the end of the first year, 70 percent of Chilean workers chose to open tax-deferred pension savings accounts. By the end of the second year, 90 percent had.

Individuals opting for private pension savings accounts received a "recognition bond" (zero coupon, indexed to inflation with 4 percent interest), which recorded their contribution to the government-run system. Upon retirement, this bond was cashed and added to their assets available to purchase an annuity.

As I mentioned earlier, after the new law took effect, people who started working for the first time made payroll contributions to their own pension savings accounts, not the government-run system. There hasn't been anybody entering the government-run system.

Yes, moving away from a pay-as-you-go system was a challenge. There was a transition gap: the amount of money we ceased to collect from workers who opted out of the system, yet had to pay current and future retirees. The transition gap was around 3 percent of our

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gross national product. We paid a substantial portion by reducing wasteful government spending and by using debt financing. As a consequence, we went to private pension accounts without increasing taxes, inflation, or interest rates. During the last six years, we have had government budget surpluses equal to 1 percent or 2 percent of GNP.

Going to pension savings accounts helped boost the economy, because it has raised the saving rate—now about 27 percent of GNP—and people's contributions became available for private capital markets. Since pension savings accounts got started, they have generated capital equivalent to 40 percent of Chilean GNP. During the past dozen years, annual growth has been about 7 percent, double our historic growth rate. Faster economic growth made it easier to handle the transition gap.

The real rate of return on private pension accounts has been about 12 percent. Pensions are already 50 percent to 100 percent higher than with the government-run system.

Chile has eliminated the payroll tax, which, by making it more expensive for employers to create jobs, put a damper on employment.

Chilean unemployment is around 5 percent—and without the disguised unemployment of government make-work jobs. By contrast, in the Western European welfare states, unemployment is generally between 10 percent and 25 percent.

To be sure, Chile embraced many other free-market reforms which helped accelerate economic growth. We went to free trade, cut income taxes, privatized state-owned companies, and so on, but according to many observers, the most important reform has been the pension reform.

I believe that the way to cut the size of government is not only to reduce government programs but to abolish them. I long for the day, fast approaching, when the last person in Chile's government-run system retires and 100 percent of workers are making contributions into their own pension savings accounts.

Just imagine how this idea could energize the U.S. economy. More people would see their own efforts, not the government's, as offering the key to their future. Trillions of dollars would become available to help finance economic growth. Payroll taxes would be cut and ultimately eliminated, contributing to higher employment, higher wages, or both. Individuals would gain freedom to control their pension savings. They would almost certainly have more retirement income and greater peace of mind. It would be hard to think of a single economic reform that would do more good for everyone. □

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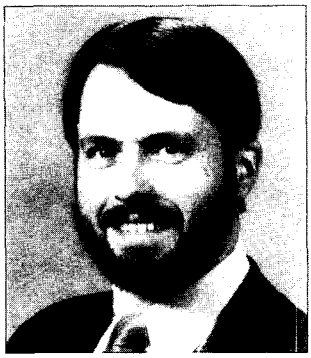

Taxing Time

Income Tax Day is three months past, but only now are Americans finally finished paying for government. The Washington-based Tax Foundation reports that Tax Freedom Day, when people stop turning their earnings over to government, was May 9, the latest ever. Since 1992, reports the Foundation, "the tax burden borne by the average American has risen rapidly," going from 121 days to 129 days.

Taxes are only the most visible form of government's burden, however. Deficit spending, too, costs people. On top of that comes government regulation of all sorts. Americans for Tax Reform, an activist taxpayers' group, estimates that it is the first week of July before people start laboring for themselves instead of government. In short, we spend more than half of our working lives financing government.

For believers in limited government, then, there is probably no more important task than constraining the growth of government spending, and that is most achievable by reversing the increase in taxes. What is needed is a threefold strategy of tax reform: reduction, accountability, and simplification.

Most important, Congress should lighten the tax burden, and the best means of doing so is to cut income tax rates across the board. The reason is simple—taxpayers deserve relief.

Mr. Bandow, a nationally syndicated columnist, is a senior fellow at the Cato Institute and the author and editor of several books, including Tripwire: Korea and U.S. Foreign Policy in a Changed World.

According to a recent Harris poll, 30 percent of Americans say that their taxes are "much too high." Another 40 percent believe they are "somewhat too high." And this huge majority is right.

At the beginning of the century, reports the Tax Foundation, Tax Freedom Day came on January 31. It bounced around March and April during the 1940s, gradually moved to the end of April by the 1970s, hit May the following decade, only to recede for a time, before starting its steady increase in 1993.

In many states the burden is even higher. New Yorkers work for government until May 23. Residents of Connecticut start earning money for themselves only a couple of days earlier. The luckiest taxpayers live in Louisiana, where Tax Freedom Day comes on April 26.

Taxes are the largest single component of the average American's budget. People spend nearly two hours out of an eight-hour day to pay just Uncle Sam's levies. Another hour of labor is consumed by state and local taxes. Only housing, at an hour and twenty minutes, comes close to the tax burden. (The costs of deficit spending and regulation are largely hidden from view, raising prices and interest rates.)

Of course, defenders of the expansive and expensive state argue that Americans receive a good return on their money. But today's welfare/warfare state operates primarily for the benefit of select interest groups rather than the general public. Nearly one-quarter of

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every tax dollar goes to Social Security, Uncle Sam's faltering retirement system that is delivering an increasingly negative return while heading toward fiscal collapse.

One-fifth of the federal tax dollar covers health care, particularly Medicare and Medicaid. These programs are not only unnecessarily expensive, but have fueled price inflation in the private sector. Neither is sustainable over the long term. Another fifteen cents goes to interest, the price of past federal extravagance.

The biggest program that is truly a federal responsibility is national defense, which accounts for fifteen cents. But much of that goes to protecting other countries, particularly America's populous and prosperous allies. Beyond that are a potpourri of programs that either aren't government's responsibility or are more expensive than need be. Some value for the tax dollar!

The fairest means to reduce the tax burden would be to slash tax rates for all Americans. Given a decade worth of tax hikes after the Reagan Administration's early tax cuts, the reductions should be substantial—a third at least. Other good ideas include reducing capital gains and estate levies, which perversely punish the capital accumulation that is necessary for economic growth.

Reductions are not enough, however, for the 1980s proved that the pressure to hike levies is almost irresistible. Thus, the tax burden needs to be made more visible to people.

For instance, withholding, under which workers never see their earnings grabbed by government, should be eliminated. If taxpayers had to scramble to come up with the thousands of dollars necessary to satisfy Uncle Sam, they would realize just what a burden taxation had become. At the very least, the current withholding system should be replaced by a system of quarterly tax payments like that now used by the self-employed. In either case, workers would receive their full income, and only then pay the IRS.

At the same time companies should voluntarily implement the Right to Know Payroll as proposed by Michigan's Mackinac Center. For each employee firms would list the overall payroll benefit level and subtract expenses that the employee never sees (payroll taxes, administrative costs), yielding the traditional gross pay number. If politicians won't voluntarily subject their handiwork to public scrutiny, business should help expose it.

Moreover, election day should be moved to the first Tuesday after the second Monday of April. Then taxpayers would see how much of their income had been seized by government before voting. They would feel the real cost of the supposed benefits being provided by spendthrift politicians, enabling them to make a truly informed electoral choice. In contrast, elections now fall seven months after tax day.

Finally, Congress should move toward either a flat income tax or a national sales tax. The first would greatly simplify the task of figuring out what was due. The second would essentially eliminate the individual compliance burden, along with intrusive IRS enforcement practices.

The latter is particularly important. The income tax imposes more than a financial burden. A *People* magazine poll found that the most frightening words Americans imagined hearing over the phone were "This is the IRS calling." Evidence continues to emerge on how various presidents have used the tax agency against their political enemies. Only slightly less obnoxious are the 1500-plus (currently admitted) instances of freelance snooping. A free people should not live in fear of virtually unaccountable bureaucrats who can delve into the most intimate details of their finances.

Indeed, Dan Mitchell of the Heritage Foundation has come up with 577,951,692,634 reasons for tax reform. He points to the 136,000 federal employees who enforce the tax law and the $13.7 billion they spend doing so. There are 8 billion pages of forms and instructions issued by the IRS, 5.5 million words in the tax code, and 33 million penalty notices sent out annually. There are 8.5 million wrong answers given to taxpayers calling the IRS for help. There's the $31 billion spent and to be spent by the IRS to modernize its computer system. The $157 billion in compliance costs for individuals and businesses. And much, much more.

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Serious tax reform is not an ivory-tower dream. Former IRS Commissioner Fred Goldberg opines that tax reform is "the only way to liberate the American people from a system that is grotesquely burdensome and monstrous." A recent survey of 275 IRS workers found overwhelming support for tax simplification. If the bureaucratic beneficiaries of the current system support real change, why not the supposed representatives of the American people?

Every tax season seems to end up the same. People pay too much in taxes. People spend too much money and time trying to comply with the tax laws. Congress does nothing. The President does nothing. Change will come only if the American people demand that something be done. □

A Roundup:

Taxation Without Justice

by Dean Stansel

How much justice is in our tax codes? Consider this sampling of some goods and services taxed in the United States today:

- 2 percent on the lease or rental of linens and garments. (Alabama)
- 5 percent on entertainment and information services provided by telephone. (New York State)
- 41.3 percent on imported grapefruit juice. (U.S.)
- 1 percent on the mortgage to finance a building, when the amount is less than $500,000; 1.125 percent when the amount is over $500,000—this in addition to similar taxes imposed by the state. (New York City)
- 7 percent on admission fees to movies, plays, and other "amusements." (Chicago)
- 1 percent on urine-testing materials, syringes, insulin, needles for diabetics, and medical appliances for human use. (Illinois)
- 3.75 percent on gross receipts earned by retailers licensed to sell Christmas trees. (Los Angeles)
- 9.5 percent on imported pimentos. (U.S.)
- $4 per employee per month, paid by companies employing 50 or more full-time people who earn over $900 per quarter. (Chicago)
- 0.3 percent of taxable gross income generated by water-softening and -conditioning businesses. (Indiana)
- 1 percent on semen used for artificial insemination of animals. (North Carolina)
- 9 percent on drinks sold at soda fountains. (Chicago)
- Up to 38 percent on imported soda-lime glasses. (U.S.)
- 0.08 percent on oysters; 2.1 percent on food fish generally; 3.15 percent for pink and sockeye salmon; 5.25 percent on chinook, coho, and chum salmon. (Washington)
- 151.2 percent on imported parts for inexpensive watches. (U.S.)
- 38 cents per ton on asphalt manufactured for one's own use. (Florida)

Dean Stansel is a fiscal policy analyst at the Cato Institute, Washington, D.C.

Thanks to CCH Inc. (formerly Commerce Clearinghouse) for their assistance gathering data on city taxes.

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- 50 percent on the cost of repairing a U.S.-registered ship in a foreign port. (U.S.)
- $2 per gas pump for a company's first 50 pumps, and up to $10 per pump when a company has more than 600 pumps. (North Carolina)
- 36.3 percent on imported in-shell peanuts. (U.S.)
- 15 cents per bale of cotton ginned. (Mississippi)
- 25 percent on fees for mooring or docking a boat. (Chicago)
- 0.5 percent of U.S. government sugar subsidies received by a sugar producer. (Hawaii)
- 33 percent on imported wool-blend fabric. (U.S.)
- 21 cents per gallon of gasoline. This is on top of state and federal gasoline taxes. (Cook County, Illinois)
- 4.5 percent of gross receipts from the sale of any motor vehicle to a member of the U.S. Armed Forces who is on full-time active duty in the state but a permanent resident of another state. (Connecticut)
- 41.9 percent on cheap imported brandy, selling for less than $2.38 per liter. (U.S.)
- $2 per day per hotel room costing over $40 a day, added to a guest's bill (on top of city and state sales taxes). (New York City)
- 3 percent on the sale of food through coin-operated vending machines. (Alabama)
- $25 per year plus $150 per amusement device (like a video game), paid by amusement businesses. (New York City)
- 3.75 percent of gross income earned by individuals licensed to work as an auctioneer and conduct business at antiques shows. (Los Angeles)
- $10 for each store which is part of a chain with fewer than ten stores, and $550 per store which is part of a chain with over 500 stores. (Louisiana)
- 50 percent of gross income of urban mass transportation companies. (Wisconsin)
- 4.5 percent of base rent, due from companies which pay more than $40,000 per year to lease office space in Manhattan below 96th Street. (New York City)

As the randomness of these examples suggests, taxes seldom reflect any principles of justice that people can understand. Rather, taxes are the consequence of intense lobbying to gain special privileges and push as many burdens as possible on other taxpayers. The less of this, the better! □

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THE FREEMAN
IDEAS ON LIBERTY

Communitarians and Slavery

by Tibor R. Machan

A recent report in the *New York Times* tells how in Ghana many preteen girls are subjected to slavery, supposedly to atone for their parents' or other family members' sins.

What usually happens is that a priest keeps a girl as a sexual servant until she no longer satisfies him, after which the family has to replace her with a new virgin—on and on until the atonement is completed.

A Ghanaian priest, cited as defending the practice, says that "the practice stems from a world view that sees justice and punishment in communal rather than individual terms; an individual who has no connection to a crime may be punished to spare others."

Some Western intellectuals claim there is no way to judge such practices because each community sets its own standards for justice. These intellectuals view reform efforts as "corrosive" individualist imperialism.

By this reasoning, the forced female circumcision in Africa, the censoring of objectionable literature in some Muslim cultures, and the killing of unwanted wives in India are okay, too.

Dr. Machan, who teaches political philosophy and business ethics, is the author of Private Rights and Public Illusions *(Transaction Books, 1995). He is at work writing books on generosity, individualism, and business-bashing.*

Individualists counter that there are basic human rights which must be protected. Any form of slavery is a violation of justice. The common good is secured when individual rights are secured. Organizations like Amnesty International and Human Rights Watch are properly invoking universal principles.

Many widely published communitarians claim justice is a matter of balancing individual rights and the common good, while expressing horror at the Ghanaian practice. Yet it is difficult to see how a communitarian could object. After all, if "the community" has accepted a practice, what could be wrong with it?

Communitarians say that everyone ought to respect the different traditions of varied human communities around the globe. But if there are no basic principles that apply to all, why should we respect everything a community might do?

Of course, there aren't any easy remedies for victims of human rights violations around the world. Barging into a society with zealous enthusiasm for reform has seldom done much good. Education and the art of diplomacy are important when it comes to changing bad community practices.

But we must be clear that violating human rights is wrong wherever it happens. □

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THE FREEMAN
IDEAS ON LIBERTY

Who Said What About Liberty? (a quiz)

The literature of liberty offers double pleasure. You can often enjoy both dynamic ideas and great eloquence.

Just for fun, see if you can match the following unforgettable quotations with their authors. The quotations are representative views of many of the greatest thinkers in the history of liberty:

A. Lord Acton
B. Benjamin Franklin
C. Milton Friedman
D. Legendre and Jacques C.M. Vincent de Gournay
E. F.A. Hayek
F. Henry Hazlitt
G. Thomas Jefferson
H. John Locke
I. Ludwig von Mises
J. Albert Jay Nock
K. P.J. O'Rourke
L. James Otis
M. Thomas Paine
N. Ayn Rand
O. Leonard E. Read
P. Murray N. Rothbard
Q. Adam Smith
R. Thomas Sowell
S. Mark Twain
T. Mary Wollstonecraft

1. "Whenever the Legislators endeavor to take away, and destroy the Property of the People, or to reduce them to Slavery under Arbitrary Power, they put themselves into a state of War with the People, who are thereupon absolved from any farther Obedience. . . ."

2. "Laissez faire, laissez passer."

3. "Taxation without representation is tyranny."

4. "Society in every state is a blessing, but Government, even in its best state, is but a necessary evil; in its worst state, an intolerable one."

5. "The tree of liberty must be refreshed from time to time with the blood of patriots and tyrants. It is its natural manure."

6. "Liberty is the mother of virtue, and if women be, by their very constitution, slaves, and not allowed to breathe the sharp invigorating air of freedom, they must ever languish like exotics, and be reckoned beautiful flaws of nature."

7. "The State, both in its genesis and by its primary intention, is purely anti-social. It is not based on the idea of natural rights, but on the idea that the individual has no rights except those that the State may provisionally grant him. It has always made justice costly and difficult of access, and has invariably held itself above justice and common morality whenever it could advantage itself by so doing."

8. "God helps them that helps themselves."

9. "It is the highest impertinence and presumption, therefore, in kings and ministers to pretend to watch over the economy of private people, and to restrain their expense. . . . They are themselves always, and without any

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NOTES FROM FEE

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July 1997

The Market: The Only Trustworthy Pollster

Under the heading "What People Really Want," the May 3 issue of *The Economist* reports results of a recent British poll. Among the allegedly genuine desires of British citizens are higher taxes ("to keep down inflation") as well as greater government expenditures on health, education, and welfare. Most Britons apparently also want to ban fox hunting, but few wish to legalize marijuana.

Hogwash. Even the most scrupulously conducted poll cannot discover "what people really want." I don't doubt that this *Economist* poll is as sound a poll as has ever been conducted. But polls by their nature cannot uncover what people want in an economically relevant sense.

The verb "to want" has two different meanings. This difference is linguistically slight but economically weighty. Insensitivity to this difference in meaning causes confusion—including being misled into thinking that polls elicit reliable information on what people want.

Let me illustrate this dual meaning of the verb "to want" with a personal example.

I want a new Lexus automobile. No lie; I really want a new Lexus. As used here, the verb "to want" means nothing more than a fancy or a whim. If I tell you in idle conversation that I want a new Lexus, all this pronouncement means is that if I could acquire a Lexus at little or no cost to myself, I'd happily acquire one.

This first meaning of the verb "to want" refers to unconstrained wanting. It refers to the wishes and dreams that we each have, not only for material possessions, but for all manner of worldly and spiritual outcomes. (In addition to wanting a Lexus, I also genuinely want world peace, universal free trade, an end to human suffering, good weather, a Super Bowl victory for the New Orleans Saints, ... my list is endless.) We all want lots of things if they are available to us personally at a zero or near-zero price—that is, if there are no constraints on our acquiring these things. Similarly, we all want lots of good things that are simply unobtainable in unlimited quantities.

While linguistically sound, using the word "want" in its unconstrained meaning risks profound economic misunderstanding. The second and more reliable meaning of "to want" is its economically relevant meaning. To want something in an economically relevant sense is to be willing to

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pay full price for that something. I'm unwilling to pay the $50,000+ necessary to acquire a new Lexus. Under the economically relevant ("constrained") definition of the verb "to want," I do *not* want a Lexus. While I (like most Americans) could afford a Lexus if I dramatically reduced my spending on food, clothing, entertainment, etc., I prefer to drive a less luxurious car so that I can eat something other than cabbage soup at every meal. In fact, I *actually* want a 1992 Toyota Camry—for that is what I drive. The Camry is not as nice a car as the Lexus, but it is priced right for me and my family.

What has all this parsing of the meaning of "to want" to do with citizen polls? Plenty.

When someone is asked by a pollster if he wants, say, more welfare payments, this person responds free of charge. No matter what response he gives, he bears no material consequences of that response. Of course, the person might understand that greater welfare payments would mean higher taxes for him, but he also understands that his response to a poll question does not alone determine government welfare policy. Because government's welfare policy is not determined by the opinion of any individual, no individual incurs any personal cost in answering a question about such policies one way or another.

In other words, polls uncover only unconstrained wants—wants that people have independent of the costs of expressing these wants.

Compare the following two scenarios. First, you're asked in a poll whether or not you want your city to build a subway system. Second, you're asked by a Lexus dealer if you want to purchase a new Lexus. Your answer to the first question changes nothing. Whether or not the subway system is built is independent of your answer. Therefore, you will likely be much more cavalier in answering such a question. Your answer is without consequence.

But you bear significant personal consequences when answering the question posed by the Lexus dealer. If you say "yes, I'd like to buy this new Lexus," you commit yourself contractually to buy an expensive automobile. If you say "no," you do not commit yourself. Either way, your answer has immediate and personal consequences for you. Your answer matters; it determines directly whether or not you purchase the car. As a result, you answer the Lexus dealer's question carefully and prudently. If you're not wealthy, you likely will say "no." You might tell the Lexus dealer that you really like the car, and that if it were less expensive you might buy one. But at its current high price, you do not now want a new Lexus.

So when British citizens claim in a poll to "want" such things as greater welfare disbursements and continued police efforts to prevent adults from smoking pot, these answers do not mean that British citizens "want" these things in the same way that I want my 1992 Toyota or the bag of groceries that I just purchased. Such poll results reveal only Britons' *unconstrained* wants, not their economically relevant ("constrained") wants.

Because opinion polls do not reveal people's *constrained* wants, it is illegitimate to use polls to guide government policy-making.

But what are elections if not polls? In elections as in polls, no individual's vote determines policy outcomes. Therefore, voters typically vote with far less prudence and shrewdness than they use when buying groceries or choosing a plumber. What people really want—in an economically meaningful sense—is revealed only through private market transactions where each person directly confronts the full costs of expressing his desires. In contrast, no poll or election reveals genuine wants constrained by costs. Only the market reveals genuine wants; therefore, only the market can be trusted to respond to people's real demands.

Donald J. Boudreaux
President

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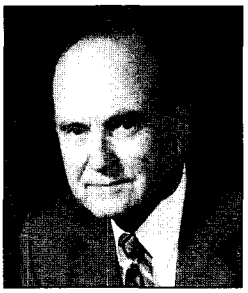
A Fond Farewell from FEE's Newly Retired President . . .

REFLECTION AND REMEMBRANCE

An Anthology of *Notes from FEE*

by Hans F. Sennholz



"This book is based on a collection of *Notes from FEE* which appear in the centerfold of every issue of *The Freeman*. The welcome which my *Notes* have received encouraged me to compile this collection. It seeks wisdom preaching no scheme or doctrine, but drawing on knowledge from all branches of the social sciences, from economics, history, sociology, political science, and psychology. Although most *Notes* are introductory in reflection and message, striving to entice laymen to read and enjoy *The Freeman*, some *Notes* offer new insights which may challenge even the scholars. The style of presentation was meant to be simple yet elegant.

Another important feature of the book is its search for eternal, inexorable principles that speak to us today as they will tomorrow. They make the book a living store of knowledge which should grow better and wiser as it grows older. At least, this compiler intended to make it so."

—**Hans F. Sennholz** (from the Introduction)

Readers will find many treasures among the more than 50 messages in this collection. Popular favorites include: "Knowledge and Wisdom," "Beware of Despair," "A Good Education," "Jobs and Trade," "Social Security," "A $5 Trillion National Debt," and "Counting Our Blessings." Also among the selections: "Onward Still," written to commemorate FEE's 50th anniversary in 1996, and "A Farewell," published in May 1997.

HANS F. SENNHOLZ was educated in both his country of birth, Germany, and his country of choice, the United States. In 1949, he earned a Doctor of Political Science degree at Cologne University and, in 1955, a Doctor of Philosophy degree at New York University. In Cologne, he studied with the eminent social philosopher, Ludwig Heyde; in New York, he was the first graduate to earn a degree with the dean of Austrian economics, Ludwig von Mises. In the footsteps of his great teachers, Dr. Sennholz published a dozen books and booklets and more than 600 essays and articles in journals and newspapers. Flying his own plane, he visits and entertains college classes and adult audiences throughout the country. He believes that only the educated can be free.

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exception, the greatest spendthrifts in the society."

10. "Power tends to corrupt and absolute power corrupts absolutely."

11. "Nothing so needs reforming as other people's habits."

12. "There's no such thing as a free lunch."

13. "The system of private property is the most important guaranty of freedom, not only for those who own property, but scarcely less for those who do not."

14. "Capitalism is the only system that can be defended and validated by reason."

15. "In the political democracy only the votes cast for the majority candidate or the majority plan are effective in shaping the course of affairs. The votes polled by the minority do not directly influence policies. But on the market no vote is cast in vain. Every penny spent has the power to work upon the production processes. The publishers cater not only to the majority by publishing detective stories, but also to the minority reading lyrical poetry and philosophical tracts. The bakeries bake bread not only for healthy people, but also for the sick on special diets.... The rich cast more votes than the poorer citizens. But this inequality is itself the outcome of a previous voting process. To be rich, in a market economy, is the outcome of success in filling best the demands of the consumers."

16. "The art of economics consists in looking not merely at the immediate but at the longer effects of any act or policy; it consists in tracing the consequences of that policy not merely for one group but for all groups."

17. "So-called 'social justice' should never be confused with humanitarianism. From a humanitarian viewpoint, it is infinitely more important to have a prosperous economy, in which the great masses of the people are beyond the reach of hunger and malnutrition, and beyond the reach of poverty-related diseases, than to stifle a relative handful of specially skilled or talented people who might be envied."

18. "Anything that's peaceful."

19. "Freedom is not empowerment. Empowerment is what the Serbs have in Bosnia. Anybody can grab a gun and be empowered. It's not entitlement. An entitlement is what people on welfare get, and how free are they? It's not an endlessly expanding list of rights—the 'right' to education, the 'right' to health care, the 'right' to food and housing. That's not freedom, that's dependency. Those aren't rights, those are the rations of slavery—hay and a barn for human cattle. There's only one basic human right, the right to do as you damn well please. And with it comes the only basic human duty, the duty to take the consequences."

20. "For the libertarian, the main task of the present epoch is to cast off his needless and debilitating pessimism, to set his sights on long-run victory and to set about the road to its attainment ... proceed in the spirit of radical long-run optimism."

Answers appear on page 455.

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A Mises Gallery

Editor's Note: The Austrian economist Ludwig von Mises (1881–1973) was the first to reveal why socialism must mean mass misery. He went on to explain with unparalleled clarity, why only free-market capitalism would enable millions everywhere to dramatically improve their lives.

What was Mises like? To help give you a better sense of this intellectual giant, Bettina Bien Greaves kindly agreed to share some photographs—many never before published—from her remarkable collection of material on Mises. She offers her commentary in the accompanying captions.

When the Mises boys were young, the family often summered in the Austrian Alps, where this photo was probably taken. Ludwig is in the center, his brother Karl (who died as a boy) to his right and his brother Richard (later a noted mathematician) to his left.

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This 1926 photo, taken in Vienna, shows Ludwig von Mises as he appeared when he taught his famed private economics seminar attended by F.A. Hayek, Fritz Machlup, Gottfried Haberler, and others.

Early on, Mises recognized that Hitler spelled tyranny. He warned his associates to get out of Europe if they could. The year after Hitler seized power in Germany, Mises left Vienna himself and accepted a position at the Graduate Institute of International Studies, Geneva. This 1936 photo was taken there.

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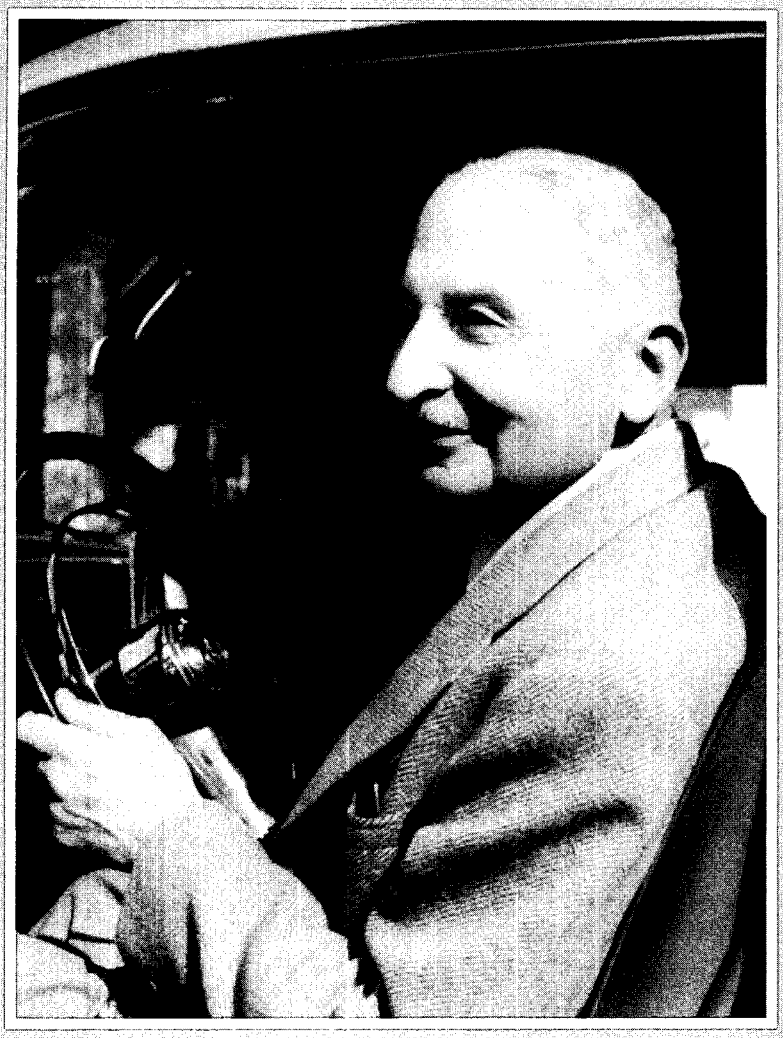
To illustrate the dramatic differences in living standards between the two world wars, Mises observed that Americans who drove Ford cars weren't considered to be very well off. But it was said of a European who owned a Ford, "He must be wealthy—he drives a genuine Ford!" Here is Mises behind the wheel of his car, during the 1940s when he was living in New York. His wife, Margit, is with him.



The Mont Pelerin Society was founded in 1947 so that classical liberals from all over the world could meet and discuss issues of common interest. This photo shows Mises in 1957 during an outing between Mont Pelerin Society sessions at St. Moritz, Switzerland.

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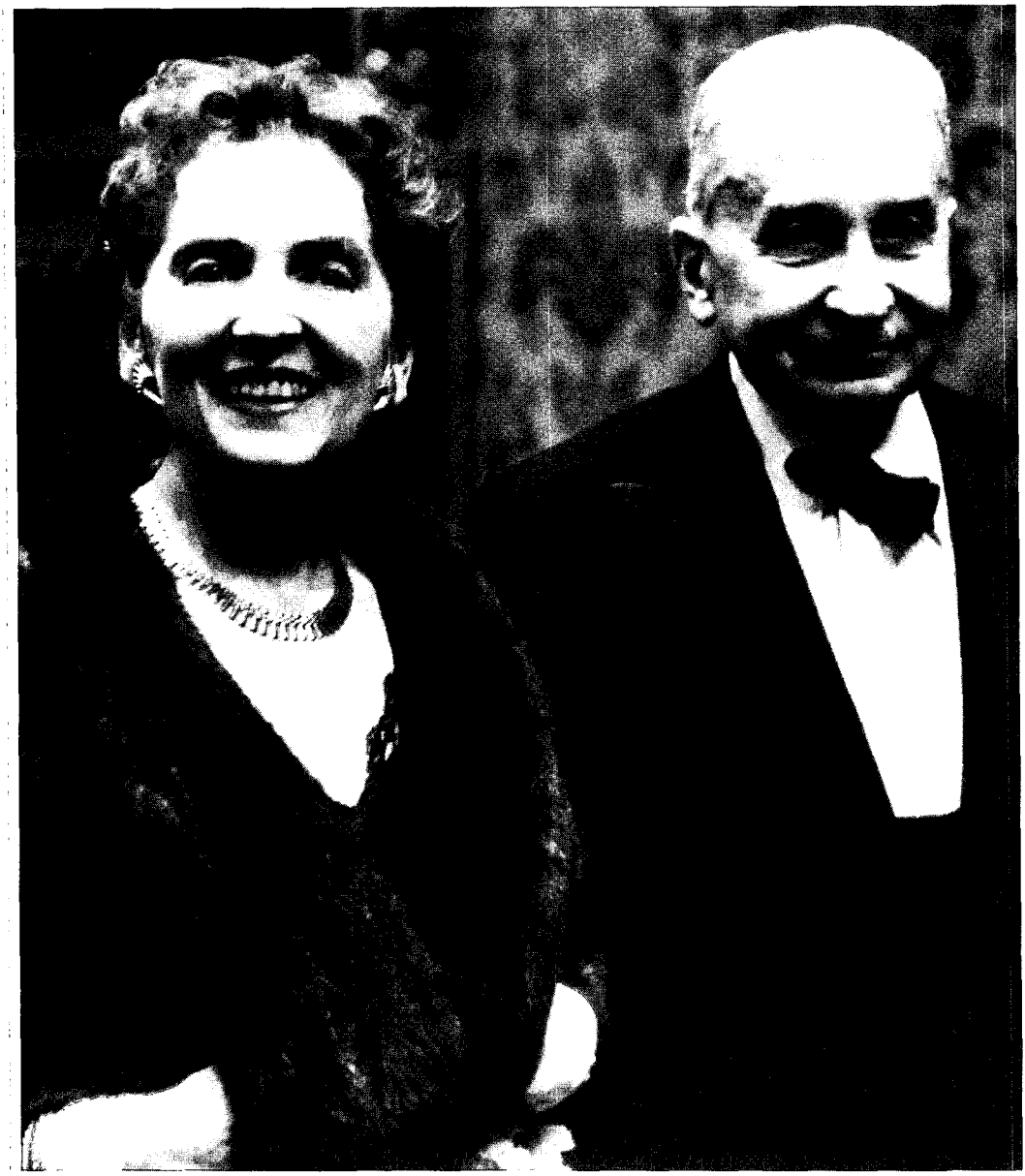

Ludwig and Margit von Mises decked out for the "Festschrift Dinner," March 7, 1956, honoring Ludwig on the occasion of the 50th anniversary of his doctorate. At that dinner, held at the University Club in New York City, he was presented with *On Freedom and Free Enterprise*, a *Festschrift* edited by Mary Sennholz. The list of contributors reads like an honor roll for liberty: Carlo Antoni, Faustino Ballvé, Louis Baudin, Percy L. Greaves, Jr., F.A. Harper, F.A. Hayek, Henry Hazlitt, W.H. Hutt, Bertrand de Jouvenel, Ludwig Lachmann, Fritz Machlup, William H. Peterson, William Rappard, Leonard E. Read, Wilhelm Röpke, Murray N. Rothbard, Jacques Rueff, Hans F. Sennholz, and Louis M. Spadaro.

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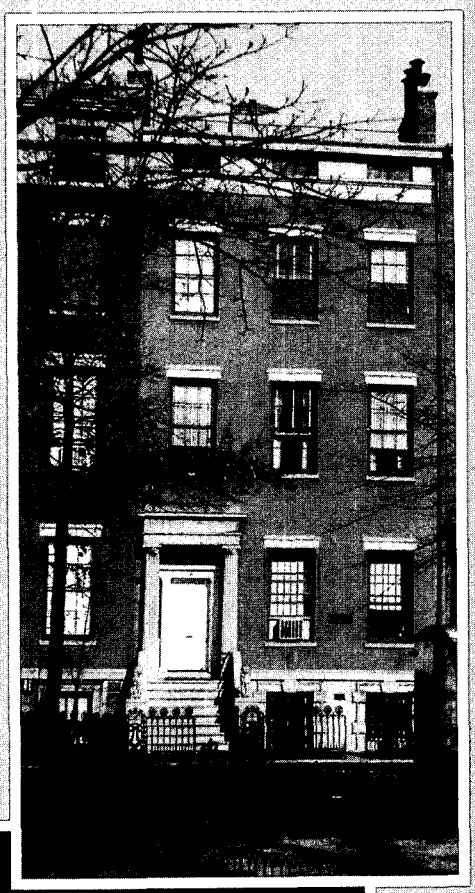
Mises conducted a graduate seminar in economic theory at New York University from 1948 to 1969. Between 1959 and 1964, the seminar was held at Gallatin House, shown here, on Washington Square North. Otherwise, the sessions were held downtown at NYU's Graduate School of Business Administration on Trinity Place.



Back in Vienna, after Mises's economics seminar, participants would walk to a nearby restaurant and continue their discussion over dinner and coffee. Mises maintained this tradition in New York, going to nearby Childs restaurant. Mises gave his final seminar of the 1958 spring term at a dinner meeting. This photo shows me on that occasion, flanked by Henry Hazlitt, on my left, and Mises, on my right.

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David Jarrett took a wonderful series of photos during one of Mises's fall 1964 seminars at NYU. Each one reflects Mises's intense and vital interest in free-market economics.

From January 1959 through January 1972, in New York, there was a remarkable discussion group called the "Mises Dinner Circle." It was a forum for speakers whom Mises thought should be given a hearing. The dinners were usually held at the New York University Faculty Club on Washington Square North. I sent out the mailings and kept the records. Expenses were picked up by delicatessen owner Isidor Hodes. He was a great fan of Mises and attended Mises's NYU economics seminars regularly for years. When he asked Mises how he could help nurture Austrian ideas, Mises suggested he might arrange the dinners. This forgotten man made possible many extraordinary evenings.

F.A. Hayek, shown here with Mises, spoke at a 1959 "Mises Dinner Circle." This particular gathering was held in New York University's Loeb Student Center.

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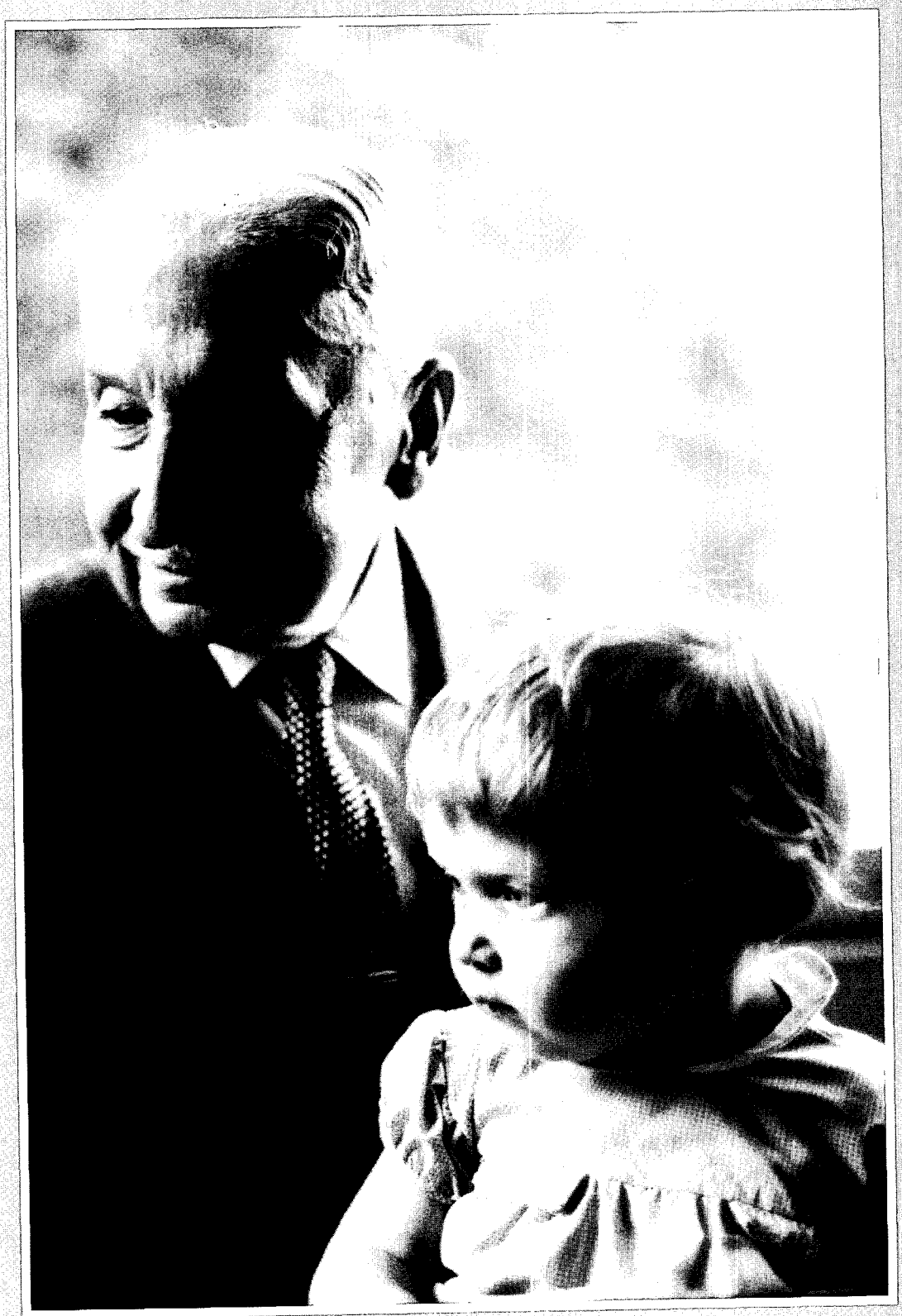

When Mises married Margit Sereny, she was a widow with two almost grown-up children: a son, Guido, and a daughter, Gitta. Here you see Mises in London, 1962, with Gitta's daughter Mandy.

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Mises was a thoughtful man, as you can sense in this 1967 photo which I took at Mittersill, a summer resort near Franconia, New Hampshire.

As interest grew in Mises's ideas, he was invited to lecture widely across the United States and South America. This 1970 photo of Ludwig and Margit was taken in Plano, Texas, just north of Dallas.

This 1972 photo, taken by Margit in the Austrian Alps, is one of the last photographs of Ludwig von Mises. Here we see him—alone, his life work done.

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THE FREEMAN
IDEAS ON LIBERTY

Robert A. Heinlein's Soaring Spirit of Liberty

by Jim Powell

A pioneering master of speculative fiction, Robert Heinlein has captured the imagination of millions for liberty.

Five of his novels chronicle rebellion against tyranny, other novels are about different struggles for liberty, and his writings abound with declarations on liberty. For instance, in "Requiem" (1939): "It's neither your business, nor the business of . . . paternalistic government, to tell a man not to risk his life doing what he really wants to do." "If this goes on—" (1940): "I looked up Tom Paine, which led me to Patrick Henry and Thomas Jefferson and others—a whole new world was opened up to me. . . . Very inspiring stuff." "Coventry" (1940): "You are free to seek danger and adventure if you wish . . . but you are not free to expose us to the violence of your nature." *Beyond This Horizon* (1948): "The private life and free action of every individual must be scrupulously respected." *The Puppet Masters* (1951): "The price of freedom is the willingness to do sudden battle, anywhere, any time and with utter recklessness." *Double Star* (1956): "free trade, free travel, common citizenship, common currency, and a minimum of imperial laws and restrictions." *Citizen of the Galaxy* (1957): "slavery . . . the most vicious habit humans fall into and the hardest to break." *The Moon Is a Harsh Mistress* (1966): "no circumstances under which State is justified in placing its welfare ahead of mine." *Time Enough for Love* (1973): "The purpose of my government is never to do good, but simply to refrain from doing evil." *To Sail Beyond the Sunset* (1987): "unlimited spending on 'social' programs ends in national bankruptcy."

Heinlein is the world's most celebrated science fiction author. In July 1969, as Apollo 11 astronaut Neil A. Armstrong set foot on the moon, Heinlein was a guest commentator with CBS-TV anchorman Walter Cronkite, speaking to millions around the world. "When the Science Fiction Writers of America began to hand out their Grand Master Awards in 1975, Heinlein received the first by general acclamation," noted Isaac Asimov, himself the respected author of more than 300 books, including much science fiction. Heinlein is the only author to have won four "Hugo" awards for best science fiction novel—for *Double Star*, *Starship Troopers* (1959), *Stranger in a Strange Land* (1961), and *The Moon Is a Harsh Mistress*. He was the first science fiction author to make the *New York Times* bestseller list (*Stranger in a Strange Land*), and his last five books made it, too. Heinlein's work—56 short stories and 30 novels—have been variously translated into Bulgarian, Croatian,

Mr. Powell is editor of Laissez Faire Books and a senior fellow at the Cato Institute. He has written for the New York Times, *the* Wall Street Journal, Barron's, American Heritage, *and more than three dozen other publications.* *Copyright © 1997 by Jim Powell.*

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Czech, Dutch, Farsi, Finnish, French, German, Greek, Hebrew, Hungarian, Italian, Japanese, Lithuanian, Portuguese, Romanian, Russian, Spanish, and Swedish. They've sold over 30 million copies in the United States and 100 million worldwide.

The "Best Science Fiction Writer in Existence"

Isaac Asimov, whose astonishing career began at the same time as Heinlein's got underway, disagreed with many of Heinlein's views but declared: "From the moment his first story appeared, an awed science fiction world accepted him as the best science fiction writer in existence, and he held that post throughout his life." Best-selling fantasy writer Stephen King declared, "Following World War II, Robert A. Heinlein emerged as not only America's premier writer of speculative fiction, but the greatest writer of such fiction in the world. He remains today as a sort of trademark for all that is finest in American imaginative fiction."

The *New York Times Book Review* hailed Heinlein as "One of the most influential writers in American literature." Gene Roddenberry, creator, writer, and producer of the hugely popular *Star Trek* TV series, acknowledged that Heinlein was among the few authors "at whose feet I'd gladly sit." Robert Silverberg, author of over a hundred science fiction books, explained: Heinlein's "belief that a story had to make sense, and the irresistible vitality of his storytelling, delighted the readership of *Astounding*, who called for more and even more of his material. John Campbell had found the writer who best embodied his own ideals of science fiction: In one flabbergasting two-year outpouring of material for a single magazine Heinlein had completely reconstructed the nature of science fiction, just as in the field of general modern fiction Ernest Hemingway, in the 1920s, had redefined the modern novel. No one who has written fiction since 1927 or so can fail to take into account Hemingway's theory and practice without seeming archaic or impossibly naive; no one since 1941 has written first-rate science fiction without a comprehension of the theoretical and practical example set by Heinlein."

Added best-selling thriller writer Tom Clancy: "What makes Mr. Heinlein part of the American literary tradition is that his characters do prevail. His work reflects the fundamental American optimism that still surprises our friends around the world. As Mr. Heinlein taught us, the individual can and will succeed. The first step in the individual's success is the perception that success is possible. It is often the writer's task to let people know what is possible and what is not, for as writing is a product of imagination, so is all human progress."

Heinlein holds a special place in the hearts of millions who discovered him during their teenage years. Before he emerged as a best-selling author of adult books, he had established his reputation with more than a dozen classic "juveniles"—*Rocket Ship Galileo* (1947), *Space Cadet* (1948), *Red Planet* (1949), *Farmer in the Sky* (1950), *Between Planets* (1951), *The Rolling Stones* (1952), *Starman Jones* (1953), *Star Beast* (1954), *Tunnel in the Sky* (1955), *Time for the Stars* (1956), *Citizen of the Galaxy* (1957), *Have Space Suit—Will Travel* (1958), and *Starship Troopers* (1959). Author J. Neil Schulman spoke for many when he confided that "If Robert Heinlein hadn't written the books he wrote, and I hadn't read them, I doubt very much that I would have had the intellectual background necessary to climb out of the hole I was in between the ages of fifteen and eighteen. He wrote about futures that were worth living for. He wrote about talented people who felt life was worth living and made it worth living, no matter what the breaks that fell their way. His characters never had an easy time of it, but they persevered."

Teacher and Benefactor

Heinlein's work has inspired readers around the world. For instance, Tetsu Yano: "I had lost all my books during the war and had little money then to buy new ones. I wanted to and had to read something. Despite my lack of proper education in English, I found science fiction magazines quite read-

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able. I became particularly inspired by the stories written by Robert Heinlein and Anson McDonald [one of Heinlein's pseudonyms]. His exhilarating tales gave me the will, hope, and courage to go on living in the devastations of the postwar Japan. Robert Heinlein was my teacher and benefactor. I learned English reading his stories and became a translator. It has been an honor to translate many of Heinlein's books into Japanese."

Science fiction critic Alexei Panshin described Heinlein as "about five feet eleven inches tall, with brown hair and brown eyes. He is solidly built and carries himself with an erect, almost military bearing. He has worn a trim moustache for years and is reputedly the sort of man who would always dress for dinner, even in the jungle. . . . His voice is a strong, very even, somewhat nasal baritone with a good bit of Missouri left in it." As Isaac Asimov remembered, "In some ways, my most important friendship was with Robert Anson Heinlein . . . a very handsome man . . . with a gentle smile, and a courtly way about him that always made me feel particularly gauche when I was with him. I played the peasant to his aristocrat."

Robert Silverberg recalled Heinlein as "a delightful human being, courtly, dignified, with an unexpected sly sense of humor. I met him first . . . at the 1961 World Science Fiction Convention in Seattle, where he was Guest of Honor. He amazed everyone there by holding an open-house party in his suite and inviting the entire convention to attend. That would be unthinkable today, when five or six thousand people go to such conventions. The attendance in 1961 was only about two hundred, but it was still a remarkable gesture. . . . I remember telling him that I had already published seven million words of fiction . . . to which he replied, 'There aren't that many words in the language. You must have sold several of them more than once.'"

Early Life

Robert Anson Heinlein was born July 7, 1907, in a two-story frame house at 805 North Fulton Street, Butler, Missouri, about 65 miles south of Kansas City. His father, Rex Ivar Heinlein, the son of a plow salesman, had a series of jobs as clerk and bookkeeper. His mother, Bam Lyle, was a doctor's daughter. The Heinlein family descended from German, Irish, and French people.

In 1910, his 10-year-old brother Lawrence took him to see Halley's Comet streak across the sky, and it was a sight he would never forget. He became fascinated with astronomy, and by the time he was a teenager, he had read all the astronomy books in the Kansas City Public Library. He built himself a small telescope and mounted it on the roof of his parents' home.

He became an avid reader of adventure stories, science fiction in particular. He bought secondhand copies of the *Frank Reade Weekly*, which serialized adventure stories. He read stories about the young inventor Tom Swift. He got *Electrical Experimenter*, a magazine put out by pioneering science fiction editor Hugo Gernsback. He relished such authors as Mark Twain, Rudyard Kipling, Jules Verne, H.G. Wells, Edgar Rice Burroughs, and H. Rider Haggard.

After graduating from local schools, he spent a year at the University of Missouri, then transferred to the U.S. Naval Academy, Annapolis, where he became a champion swordsman. He graduated in June 1929, 20th in a class of 243, as a mechanical engineer. Soon after his graduation, he married Leslyn McDonald. He served in destroyers and aircraft carriers until he contracted tuberculosis and was retired from the Navy in 1934, a lieutenant junior grade. He enrolled at the University of California at Los Angeles, for graduate study of physics and mathematics, but frail health forced him to drop out. Following doctors' orders to recuperate, he acquired an interest in the Shively & Sophie Lodes silver mine in Silver Plume, Colorado, but he couldn't make a go of it. He tried selling real estate. He entered the Democratic primary to run for state representative, but he lost.

"The beginning of 1939 found me flat broke," Heinlein recalled. "I was highly skilled in ordnance, gunnery, and fire control for Naval vessels, a skill for which there was no demand ashore—and I had a piece of

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paper from the Secretary of the Navy telling me that I was a waste of space—'totally and permanently disabled' was the phraseology. I 'owned' a heavily-mortgaged house.

"About then THRILLING WONDER STORIES ran a house ad reading (more or less): GIANT PRIZE CONTEST—Amateur Writers!!!!! First prize $50 Fifty Dollars $50." In 1939 one could fill three station wagons with fifty dollars worth of groceries.... So I wrote the story LIFE-LINE. It took me four days—I am a slow typist. But I did not send it to THRILLING WONDER. I sent it to ASTOUNDING, figuring they would not be so swamped with amateur short stories."

"Life Line" was about a man who invented a machine which could tell people how long they would live. Editor John W. Campbell, Jr., bought it for $70 and published it in the August 1939 issue. Heinlein was 32. "There was never a chance that I would ever again look for honest work," he wrote.

He appeared on the scene as science fiction was bursting into the modern era. The month before his debut, *Astounding Science-Fiction* had published the first story by an emerging star named A.E. Van Vogt, and the following month it published the first story by Theodore Sturgeon, another emerging star. Earlier that year, *Thrilling Wonder Stories* published the first story by Alfred Bester, and *Amazing Stories* magazine had introduced the world to Isaac Asimov.

Heinlein's Juvenile Novels

Heinlein thought writing science fiction was an easy way to make a living, but his next several stories were rejected. His second story to be published was "Misfit," in the November 1939 *Astounding Science-Fiction*. This was about some teenage troublemakers relocated by the government to an asteroid and how one of them became a mathematical genius who saved their spaceship. While this was generally considered a minor work, it was the first of Heinlein's many "juveniles," aimed at young readers.

In January 1940, *Astounding Science-Fiction* published "Requiem." The hero, an entrepreneur named Delos D. Harriman, recalling the nineteenth-century American railroad entrepreneur Edward Harriman, built a company that developed communities on the moon. He fights "damn persnickety regulations" issued by a government bureaucracy which, because of his frail health, opposes his planned trip to the moon. But he goes anyway and dies happy.

"If This Goes On—" (*Astounding Science-Fiction*, February, March 1940) is the story of the Second American Revolution, against twenty-first-century tyranny. Narrator John Lyle tells how he developed a philosophy of freedom. "I began to sense faintly that secrecy is the keystone of all tyranny. Not force, but secrecy, censorship. When any government, or any church for that matter, undertakes to say to its subjects, 'This you may not read, this you must not see, this you are forbidden to know,' the end result is tyranny and oppression, no matter how holy the motives. Mighty little force is needed to control a man whose mind has been hoodwinked; contrariwise, no amount of force can control a free man, a man whose mind is free. No, not the rack, not fission bombs, not anything—you can't conquer a free man; the most you can do is kill him."

"Coventry" (*Astounding Science-Fiction*, July 1940) shows how a reasonably free society might be based on a voluntary social contract called the "Covenant." As Heinlein explains: "Citizens were forbidden by the Covenant to damage another. Any act not leading to damage, physical or economic, to some particular person, they declared to be lawful ... social offenders were examined and potential repeaters were given their choice of psychological readjustment, or of having society withdraw itself from them—Coventry." The story focuses on one individual, David Mackinnon, who comes to terms with the "Covenant."

In "Sixth Column" (*Astounding Science-Fiction*, January, February, and March 1941), written under Heinlein's pseudonym "Anson McDonald," Free Nations were conquered, and America stood alone. Freedom fighter Jefferson Thomas everywhere "found boiling resentment, a fierce willingness to fight against the tyranny, but it was undirected,

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uncoordinated, and, in any modern sense, unarmed. Sporadic rebellion was as futile as the scurrying of ants whose hill has been violated. PanAsians could be killed, yes, and there were men willing to shoot on sight, even in the face of the certainty of their own deaths. But their hands were bound by the greater certainty of brutal multiple retaliation against their own kind. As with the Jews in Germany before the final blackout in Europe, bravery was not enough, for one act of violence against the tyrants would be paid for by other men, women, and children at an unspeakable compound interest. Even more distressing than the miseries he saw and heard about were the reports of the planned elimination of the American culture as such. The schools were closed. No word might be printed in English. There was a suggestion of a time, one generation away, when English would be an illiterate language, used orally alone by helpless peons." Fortunately, a secret weapon is developed by a half-dozen scientists holed up in the Rocky Mountains, the conquerors are repelled, and freedom is regained.

"Logic of Empire" (*Astounding Science-Fiction*, March 1941) tells how Sam Houston Jones exposes slavery on Venus. His adversary is lawyer Humphrey Wingate, representing the authorities who control Venus. Wingate insists that people on Venus "are a damn sight better off than most people of their own class here on earth. They are certain of a job, of food, and a place to sleep. If they get sick, they're certain of medical attention. The trouble with people of that class is that they don't want to work." Jones counters: "I know human slavery when I see it. That's what you've got on Venus." Jones helps see that Wingate was taken as a slave to Venus, and he is assigned work in the swamps. He witnesses brutal conditions, and after Jones secures his release, he writes a book about the horrors.

In "Methuselah's Children" (*Astounding Science-Fiction*, July, August, and September 1941), Heinlein chronicles the adventures of Americans who had interbred to achieve longevity three times greater than average. As their presence becomes widely known, they are subject to envy, hatred, and persecution. Heinlein tells how they board a spaceship and seek a place where they can be free. The story introduces Lazarus Long, a character who reappears in Heinlein's later work.

In "Beyond This Horizon" (*Astounding Science-Fiction*, April and May 1942), the story goes in several directions, but what's most interesting is Heinlein's vision of a libertarian society with highly sophisticated social cooperation. Among other things, people carry guns and protect themselves. "I describe a utopia—largely anarchistic," he told interviewer J. Neil Schulman. "There isn't enough government to matter."

"Future History"

Heinlein described many of his stories as "future history," aimed at working out the implications of various developments during the next couple of hundred years, especially the struggle for freedom. He got a lot of attention when he published a time chart relating these stories to a general background, although they actually had little relationship with one another. He conceded "these stories were never meant to be a definitive history of the future (concerning which I know no more than you do), nor are they installments of a long serial (since each is intended to be entirely independent of all the others). They are just stories, meant to amuse and written to buy groceries."

The stories did, however, reflect Heinlein's passion for freedom. "Almost any sect, cult, or religion will legislate its creed into law if it acquires the political power to do so," he explained, "and will follow it by suppressing opposition, subverting all education to seize early the minds of the young, and by killing, locking up, or driving underground all heretics. This is equally true whether the faith is Communism or Holy-Rollerism; indeed, it is the bounden duty of the faithful to do so. The custodians of the True Faith cannot logically admit tolerance of heresy to be a virtue."

In just a few years, Heinlein had "changed the face of science fiction," as critic Alexei Panshin put it. "His narrative technique eliminated a lot of stodgy writing, and this faster, smoother writing coupled with Heinlein's

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wide range of interests meant a new sophistication that spread quickly through science fiction writing."

Surprisingly, by September 1941 Heinlein was pondering his future. "At the present time," he wrote Campbell, "I am the most popular writer for the most popular magazine in the field and command (I believe) the highest word rate. Where is there for me to go but down? I can't go up in this field; there is no place to go.... Frankly the strain is wearing on me. I can still write, but it is a terrific grind to try each week to be more clever than I was the week before. And if I do, to what purpose. First is the highest I can stand; a cent and a half a word is the most I can hope to be paid.

"I will not attempt to pep up my stories by introducing a greater degree of action-adventure. It is not my style. It seems to me that the popularity of my stuff has been based largely on the fact that I have continually enlarged the field of S-F and changed it from gadget motivation to stories more subtle in their themes and more realistically motivated in terms of human psychology. In particular I introduced the regular use of high tragedy and completely abandoned the hero-and-villain formula."

Campbell replied, "Science fiction is normally read as light, escape literature. The reader does not expect or seek heavy philosophy; particularly, he does not expect or prepare himself for heavy philosophy when he reads a story that shows every sign of being action-adventure....

"So far as going up goes, I'll agree you can't very well. I can agree with your desire to retire, under your circumstances. But look—when you don't have to, writing's a lot of fun. When you have to fill magazines as I do, good manuscripts are godsends. Be god for a little while longer and send more, willya?"

After the December 7, 1941, Japanese attack on Pearl Harbor, Heinlein tried to enlist in the Navy, but they rejected him because he had had tuberculosis and was quite nearsighted. So he went to Philadelphia where he served as an engineer at the Naval Air Experimental Station's Materials Laboratory. He helped arrange for science fiction writers Isaac Asimov and L. Sprague de Camp to work there, too.

Robert and Virginia Heinlein on the set of "Destination Moon."

Heinlein resolved to expand his horizons when the war was over. He asked science fiction writer L. Ron Hubbard about literary agents and was referred to Lurton Blassingame, who helped him sell "Green Hills of Earth" to the *Saturday Evening Post*, which paid the highest rates for fiction. That weekly magazine appeared on newsstands throughout the country and it was famous for its Norman Rockwell covers. It was the premier market for short stories as well as serialized novels. "My first reaction had been of miser-

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able envy," recalled Isaac Asimov. "Bob could make the *Post* and I couldn't even make *Thrilling Wonder*. It didn't take much thought, however, for me to see that Bob had done us all a terrific favor, and that there was reason to rejoice. Every science fiction writer would find the world easier for him because Heinlein had made the field more respectable and, sooner or later, we would all profit as a result. Between Heinlein and the atom bomb, it became difficult to think of science fiction as childish and silly anymore."

In 1946, Heinlein told Blassingame that friends "had convinced me that my own propaganda purposes will be served best by writing a series of boys' books in addition to the adult items previously described. I have purchased several of the popular boys' series novels and feel confident that I can produce salable copy—copy which can be sold to one of these markets: Westminster, Grosset and Dunlap, Crown, or Random House." His first effort was *Rocket Ship Galileo*, about three boys who cobble together a rocket, fly to the moon, and encounter a nest of Nazis determined to win back the earth. Blassingame sold it to Scribner's, the same firm which had published work by mainstream novelists like Ernest Hemingway, F. Scott Fitzgerald, and Thomas Wolfe.

Heinlein was divorced in 1947, and the following year, on October 21, he married Virginia Doris Gerstenfeld, whom he had known from his days in Philadelphia. "My wife Ticky is an anarchist-individualist," he exulted. She was, explained science fiction author Poul Anderson, "his full partner, as strong and intelligent in every way as himself. He remarked once with a grin that during World War II, when they were both in naval service, she was his superior officer."

The Heinleins honeymooned in the Colorado Rockies and decided they'd like to live there. They bought property between 1700 and 1800 Mesa Drive, Colorado Springs and picked the address they wanted: 1776. Out front they had a brass house sign which evoked the famous Archibald Willard painting *Spirit of '76*—three marchers, a man playing a fife, and a man and a boy with drums. The Heinleins were to live in Colorado Springs for the next 17 years. Among their friends was Freedom School founder Robert M. Lefevre.

Heinlein turned to motion pictures. In 1948, he adapted *Rocket Ship Galileo* into a script for a movie, *Destination Moon*. It showed how private entrepreneurs might arrange the first trip to the moon and take care of all the things that might go wrong. Although he didn't anticipate developments like the multistage rocket, *Destination Moon* nonetheless has been described as the first modern science fiction movie, and it was reasonably successful.

Writer versus Editor

Heinlein scrapped with his Scribner's editor, Alice Dagliesh, who didn't know much about science fiction except that there was a demand for it. Her view goes "something like this," he explained to Blassingame in March 1949: "Science fiction consists of stories about the wonderful machines of the future which will go striding around the universe, as in Jules Verne. Her definition is all right as far as it goes, but it fails to include most of the field and includes only that portion of the field which has been heavily overworked and now contains only low-grade ore. Speculative fiction (I prefer that term to science fiction) is also concerned with sociology, psychology, esoteric aspects of biology, impact of terrestrial culture on the other cultures we may encounter when we conquer space, etc., without end. However, speculative fiction is not fantasy fiction, as it rules out the use of anything as material which violates established scientific fact, laws of nature, call it what you will."

"Lurton," he went on, "I'm fed up with trying to work for her. She keeps poking her nose into things she doesn't understand and which are my business, not hers. . . . I'm tired of trying to educate her diplomatically. From my point of view she should judge my work by these rules and these only: (a) will it amuse and hold the attention of *boys*? (b) is it grammatical and as literate as my earlier stuff? (c) are the moral attitudes shown by the author and his protagonists—not his vil-

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lains—such as to make it suitable to place in the hands of minors?"

And Dagliesh seemed to sneer at the humble origins of science fiction. "She asked me to suggest an artist for *Rocket Ship Galileo*," he told Blassingame. "I suggested Hubert Rogers. She looked into the matter, then wrote me that Mr. Rogers' name was 'too closely associated with a rather cheap magazine'—meaning John Campbell's Astounding S-F. To prove her point she sent me tear sheets from the magazine. It so happened that the story she picked to send me was one of my 'Anson MacDonald' stories, 'By His Bootstraps'—which at the time was again in print in Crown's *Best in Science Fiction*! I chuckled and said nothing. If she could not spot my style and was impressed only by the fact that the stuff was printed on pulpwood paper, it was not my place to educate her. I wondered if she knew that my reputation had been gained in that same 'cheap' magazine and concluded that she probably did not know and might not have been willing to publish my stuff had she known."

Heinlein had ideological disagreements with her, too. For instance, he wrote her in April 1949 that "I have one of my characters say that the right to bear arms is the basis of all human freedom. I strongly believe that, but you required me to blue-pencil it. The second point concerns licensing guns. I had such licensing in the story, but I had one character strongly object to it as a piece of buttinsky bureaucracy, subversive of liberty—and I had no one defending it. You required me to remove the protest, then build up the licensing into a complicated ritual, involving codes, oaths, etc.—a complete reversal. . . . I have been writing from reasons of economic necessity something that I do not believe. I do not like having to do that. . . .

"I am opposed to all attempts to license or restrict the arming of individuals, such as the Sullivan Act of the State of New York. I consider such laws a violation of civil liberty, subversive of democratic political institutions, and self-defeating in their purpose. . . . France had Sullivan-type laws. When the Nazis came, the invaders had only to consult the registration lists in a district. Whether the authorities be invaders or merely local tyrants, the effect of such laws is to place the individual at the mercy of the state, unable to resist. . . .

"As to such laws being self-defeating, the avowed purpose of such laws as the Sullivan Act is to keep weapons out of the hands of potential criminals. You are surely aware that the Sullivan Act and similar acts have never accomplished anything of the sort? That gangsterism ruled New York while this act was already in force? That 'Murder, Inc.' flourished under this act? Criminals are never materially handicapped by such rules; the only effect is to disarm the peaceful citizen and put him fully at the mercy of the lawless."

Despite such backstage disagreements, Heinlein made dazzling contributions to juvenile literature—he is among the few major literary talents who took the trouble to write many works for young readers. Fellow science fiction author Jack Williamson marveled that "Juvenile science fiction, as a labeled category, begins with Heinlein. . . . The Heinlein series was a pioneer effort, quickly imitated . . . Heinlein never writes down. His main characters are young, the plots move fast, and the style is limpidly clear." And here, as in Heinlein's other work, the theme of liberty runs strong.

Citizen of the Galaxy (1957) is perhaps Heinlein's most outstanding juvenile. It's about a ragged boy named Thorby, who, brought in chains to Sargon, is sold as a slave. The buyer turns out to be Baslim, a one-legged undercover agent for the Hegemonic Guard, reporting on the slave trade. Before he's caught and beheaded, he gives Thorby an education. The boy ventures from one place to another, struggling to find a place for himself. Slavery, Hegemonic Guard Colonel Brisby declares, "starts up in every new land, and it's terribly hard to root out. After a culture falls ill of it, it gets rooted in the economic system and laws, in men's habits and attitudes. You abolish it; you drive it underground—there it lurks, ready to spring up again, in the minds of people who think it is their 'natural' right to own other people. You can't reason with them;

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you can kill them but you can't change their minds."

Thorby turns out to be the heir of Rudbek, a giant trading company which operates throughout much of the universe—and trades slaves. Thorby is determined to get his company out of this wretched business: "It means being so devoted to freedom that you are willing to give up your own, be a beggar, or a slave, or die—that freedom may live."

"I've taken great pride in these juveniles," Heinlein told Blassingame. "It seemed to me a worthwhile accomplishment to write wholesome stories which were able to compete with the lurid excitements of comic books. But I am really very weary of being required to wipe my feet and straighten my tie before being allowed in the house by those who stand between me and my juvenile readers."

Other Novels

Besides juveniles, Heinlein wrote *The Puppet Masters* (1951), which tells how the earth is invaded by flying saucers loaded with parasitic collectivist slugs which enslave millions. They get on people's backs, gain control of their bodies and minds, wiping out their individuality. U.S. security forces put a slug on the back of secret agent Sam Cavanaugh, so it could be observed closely, and during the experiment he becomes a slug voice. He promises "Peace and contentment—and the joy of surrender." With the slug removed, he remarks: "I could not stand the thought of dying while possessed by a parasite. Somehow I felt that to die would be to die already consigned to an endless and unbearable hell. Even worse was the prospect of not dying once the slug touched me." In the name of fighting these slugs, government assumes enormous power to monitor the population, and Cavanaugh says: "Everybody watching everybody else. Might as well be behind the [Soviet Iron] Curtain." Fortunately, a disease is discovered which is fatal to the slugs, and they are infected and killed. But Cavanaugh warns there surely will be more invasions in the future. Eternal vigilance, he says, "is our legacy to free human beings."

In *Double Star* (1956), John Joseph Bonforte, leader of the minority Expansionist Party, wants native populations of Venus and Mars to have the same rights as earthlings, and he's kidnapped by the ruling Humanists who want earthlings to dominate those populations. Since the disappearance of Bonforte could cripple the Expansionist cause, an actor, Lorenzo Smythe, is asked to serve as a stand-in for Bonforte. Although he despised Martians, he soon embraces Bonforte's libertarian views. "I suddenly got a glimpse of what Bonforte was driving at," Smythe reflects. "If there were ethical basics that transcended time and place, then they were true both for Martians and for men. They were true on any planet around any star—and if the human race did not behave accordingly they weren't ever going to win to the stars because some better race would slap them down for double-dealing." Resignation of the Humanist government—it works like British parliamentary democracy—means that Smythe/Bonforte must function as the majority leader. He promotes tolerance, peace, and freedom. He must continue in this role after Bonforte dies of a stroke. Smythe/Bonforte becomes a better person and helps make a better world.

Heinlein plunged ahead with a new kind of science fiction novel that he had worked on periodically for years. "The novel is really giving me a lot of trouble," he wrote Blassingame. "This is the one I told you about long ago, I believe—a Man-from-Mars job, infant survivor of first expedition to Mars is fetched back by second expedition as a young adult, never having seen a human being in his life, most especially never having seen a woman or heard of sex. He has been raised by Martians, is educated and sophisticated by Martian standards, but is totally ignorant of Earth. What impact do earth culture and conditions have on him? What impact does he have on Earth culture?"

"Such success as I have had," Heinlein continued, "has come from being original, not from writing 'safe' stuff—in pulps, in movies, in slicks, in juveniles. In pulp SF I moved at once to the top of the field by writing about sociology, sex, politics, and religion at a time (1939) when those subjects were all taboo.

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Later I cracked the slicks with science fiction when it was taken for granted that SF was pulp and nothing but pulp. You will recall that my first juvenile was considered an experiment by the publisher—and a rather risky one.

"I have never written 'what was being written'—nor do I want to do so now. Oh, I suppose that, if it became financially necessary, I could imitate my own earlier work and do it well enough to sell. But I don't want to. I hope this new and different book sells. But, whether it does or not I want my next book to be still different—neither an imitation of *The Man from Mars*, nor a careful 'mixture as before' in imitation of my juveniles and quasi-juveniles published as soi disant adult SF books. I've got a lot of things I'd like to write about; none of them fits this pattern."

The book tells the story of Valentine Michael Smith, descended from earthlings who went to Mars and was brought up by Martians. He comes to the earth after World War III. Liberty is lost, and the United States is just a small part of the World Federation of Free States. Smith arrives as a helpless child and is protected by a crusty individualist named Jubal Harshaw. Smith reveals magical powers acquired from the Martians. Harshaw encourages him to profit from his powers by establishing a religion, and he does. It involves "grokking" (empathizing with others) and free love. Heinlein aims a good deal of satire at conventional ways of thinking. *Stranger in a Strange Land* popularized waterbeds, acquired quite a following, made national bestseller lists, and sold some two million copies. Heinlein won his third Hugo Award for the book.

In *Glory Road* (1963), former football star and soldier Evelyn Cyril "Oscar" Gordon responds to an advertisement for an adventure, and he's off on a rousing "sword-and-sorcery" fantasy. Among other things, he grumbles about taxes: "Do you know how much tax a bachelor pays on $140,000 in the Land of the Brave and the Home of the Free? $103,000, that's what he pays. That leaves him $37,000. . . . But suppose I wangled some way to beat the tax. . . . I wouldn't be 'cheating' Uncle Sugar; the USA had no more moral claim on that money (if I won) than on the Holy Roman Empire. What had Uncle Sugar done for me? He had clobbered my father's life with two wars, one of which we weren't allowed to win—and thereby made it tough for me to get through college quite aside from what a father may be worth in spiritual intangibles to his son (I didn't know, I never would know)—then he had grabbed me out of college and had sent me to fight another unWar and damn near killed me." And when he finds himself in another universe, Gordon says "places are so crowded that the privilege of staying alive is subject to tax—and delinquents are killed out of hand by the Department of Eternal Revenue. . . ."

By 1965, Virginia Heinlein had begun to suffer the effects of high altitude in Colorado Springs, and they moved to Bonny Doon, a lovely rural area about 16 miles north of Santa Cruz, California. He described their place to interviewer J. Neil Schulman: "It's circular because Mrs. Heinlein wanted a circular house. I did the design work on it, but I did very largely what she wanted to accomplish. Got a big atrium in the middle of it—twelve feet across, open to the sky—which has a tree and flowers. And it has all sorts of things I put in to make housekeeping easier. We're getting old enough, and neither one of us cares too much for servants. Everything is either built-in or on wheels, with the exception of her baby grand."

In *The Moon Is a Harsh Mistress* (1966), Heinlein offers perhaps his most well-developed libertarian vision. The story is narrated by computer expert Manuel O'Kelly Davis. The moon, referred to as Luna, is a colony of the Earth which uses it as a place to keep convicts and political dissidents. They resent the Earth's trade monopoly, which means selling Earth products at steep prices, buying Luna products for little—and ultimately starving people on Luna. They don't like laws, but they respect customs. They cherish individual initiative and enterprise. They tolerate other people's lifestyle choices and mind their own business. They resolve to take charge of their own destiny and declare Independence on July 4, 2076. The conspirators recruit Mycroft Holmes, or Mike, the computer who runs Luna to help the revolution.

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Wyoming Knott, an individualist feminist, says: "Here in Luna, we're rich. Three million hardworking, smart, skilled people, enough water, plenty of everything, endless power, endless cubic. But . . . what we don't have is a free market. We must get rid of the Authority!" And Professor Bernardo de la Paz ("Prof"), revolutionary philosopher replies: "You are right that the Authority must go. It is ridiculous—pestilential, not to be borne—that we should be ruled by an irresponsible dictator in all our essential economy! It strikes at the most basic human right, the right to bargain in a free marketplace."

Asked to expand on his views, Prof says: "I'm a rational anarchist. . . . A rational anarchist believes that concepts such as 'state' and 'society' and 'government' have no existence save as physically exemplified in the acts of self-responsible individuals. He believes that it is impossible to shift blame, share blame, distribute blame . . . as blame, guilt, responsibility are matters taking place inside human beings singly and *nowhere else*. But being rational, he knows that not all individuals hold his evaluations, so he tries to live perfectly in an imperfect world. . . . In terms of morals, *there is no such thing as 'state.'* Just men. Individuals. Each responsible for his own acts."

TANSTAAFL

The Moon Is a Harsh Mistress sounds one of Heinlein's favorite philosophical themes: " 'tanstaafl.' Means 'There ain't no such thing as a free lunch' . . . anything free costs twice as much in long run or turns out worthless. . . . One way or other, what you get, you pay for." *The Moon Is a Harsh Mistress* depicts a free society where private individuals, not government, do what needs to be done, including education, insurance, security, and conflict resolution. The book sold almost a million copies.

The violence of the 1960s discouraged Heinlein, and this was reflected in *I Will Fear No Evil* (1970). It's the story of a terminally ill 94-year-old multibillionaire named Johann Sebastian Bach Smith who's determined to survive a world gone wrong. He reflects on the time "before the government gave up trying to guarantee safety in the streets . . . now we are under . . . an elected dictator even though we still have laws and legislatures and Congress." Smith arranges an operation to transplant his brain into the first healthy young body available, which turns out to be that of his black female secretary. Smith maintains his free will and explores the meaning of sexuality. While many of Heinlein's fans didn't care for the book, it was a huge commercial success.

The same year, Heinlein nearly died of peritonitis. His life was saved by many blood donations. He was especially appreciative because he had a rare blood type (A2 negative). He urged people with rare blood types to make donations and soon realized that all types of blood were badly needed. He used science fiction conventions as forums for promoting blood donation and rewarded people who gave blood there with autographed books.

Time Enough for Love (1974): Lazarus Long refuses to stop loving life and he becomes his own ancestor. The book includes wise and witty sayings from "the Notebooks of Lazarus Long." For instance: "The human race divides politically into those who want people to be controlled and those who have no such desire. . . . The greatest productive force is human selfishness. . . . A committee is a life form with six or more legs and no brain. . . . Of all the strange 'crimes' that human beings have legislated out of nothing, 'blasphemy' is the most amazing—with 'obscenity' and 'indecent exposure' fighting it out for second and third place. . . . Throughout history, poverty is the normal condition of man. Advances which permit this norm to be exceeded—here and there, now and then—are the work of an extremely small minority, frequently despised, often condemned, and almost always opposed by all right-thinking people. Whenever this tiny minority is kept from creating, or (as sometimes happens) is driven out of a society, the people then slip back into abject poverty. This is known as 'bad luck.' "

Heinlein, approaching 70, continued to travel as he and his wife had done for years. "We went around the world four times,"

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recalled Virginia. "One of the most interesting, but not to be repeated trips was to the Soviet Union.... We visited Antarctica and went through the Northwest Passage to Japan. When China opened up to travel, we went there, among other parts of the East."

In late 1978, while traveling near Tahiti, Heinlein experienced double vision and had trouble walking—warning signs of a stroke. Back in the United States, he had an operation to relieve blockage of the carotid artery to the brain. Fortunately, Virginia had already taken over management of his affairs. "By assuming most of the time-consuming, spirit-consuming burdens of their business," Poul Anderson observed, "she made it possible for him to write unhampered; and so we are all in her debt."

Late Novels

In *The Number of the Beast* (1980), Zeb and Deety, Jake and Hilda fight alien Black Hats out to vaporize them. The book features an admirable American individualist named Grandpa Zach. He "hated government, hated lawyers, hated civil servants . . . public schools. . . . He once threw an agent out of his office and required him to return with a search warrant ... supported female suffrage.... Grandpa Zach ducked into Canada, applied for Swiss citizenship, got it, and thereafter split his time between Europe and America, immune to inflation and the confiscatory laws that eventually caused us to knock three zeros off the old-dollar in creating the new dollar.... His will was probated in Switzerland and the U.S. Revenue Service could not touch it . . . with over half this country's population living on the taxes of the lesser number it is not as easy to get rich as it was in Grandpa's day."

In *Friday* (1982), a heroic courier named Friday carries out dangerous missions throughout North America, which has become a tangle of contentious states. She says: "with all governments everywhere tightening down on everything wherever they can, with their computers and their Public Eyes and ninety-nine other sorts of electronic surveillance, there is a moral obligation on each free person to fight back wherever possible—keep underground railways open, keep shades drawn, give misinformation to computers. Computers are literal-minded and stupid; electronic records aren't really records . . . so it is good to be alert to opportunities to foul up the system. If you can't evade a tax, pay a little too much to confuse their computers. Transpose digits. And so on ... all public employees have larceny in their hearts or they wouldn't be feeding at the public trough. These two facts are all you need—but be careful!—a public employee, having no self-respect, needs and demands a show of public respect."

In *Job: A Comedy of Justice* (1984), Heinlein explores the shocks of moving suddenly from one era to another. Among other things, he talks about money. "I had figured out," the narrator says, "that while paper money was never any good after a world change, hard money, gold and silver, would somehow be negotiable, as bullion if not as coin. So, when I got a chance to lay hands on hard money, I was stingy with it and refused to take paper money in change for hard money." Later, he adds that "We'll buy some heavy gold jewelry for each of us, then I'm going to try to find a coin dealer—buy some silver cartwheels, maybe some gold coins. But my purpose is to get rid of most of this paper money."

The Cat Who Walks Through Walls (1985) tells the tale of philosopher/rogue Colonel Colin Campbell, who embarks on whirlwind adventures and among other things explores the free-enterprise zones of the moon. One dreary character is described like this: "Bill has the socialist disease in its worst form; he thinks the world owes him a living. He told me sincerely—smugly!—that of course everyone was entitled to the best possible medical and hospital service—free, of course, unlimited, of course, and of course the government should pay for it. He couldn't even understand the mathematical impossibility of what he was demanding. But it's not just free air and free therapy. Bill honestly believes that anything he wants must be possible . . . and should be free.... In all seriousness he explains how things should be, then it's up to the government to make it happen. Just pass a law."

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Heinlein's farewell was *To Sail Beyond the Sunset* (1987), which, inspired by his own experiences growing up, became a family reunion for many of his most beloved characters. He tells how the father of the narrator (a woman named Maureen Johnson) loved Mark Twain's work and corresponded with him. She affirms the principles of personal responsibility and individualism. "I don't steal," she says, "because I'm too stinkin' proud!" And her father exclaims: "For the same reason you don't cheat in school, or cheat in games. Pride. Your own concept of yourself. 'To thine own self be true, and it must follow, as the night the day.'"

"I Am Proud to Be a Human Being"

During the fall of 1987, Heinlein's frail health forced him and Virginia to move away from Bonny Doon. They had to be closer to a major hospital—twice in 1987 he suffered hemorrhages and was rushed to San Francisco. They bought a home at 3555 Edgefield Place, in the hills above Carmel, with a spectacular view of the Pacific.

Heinlein radiated optimism even as his health declined. "I believe in my whole race," he declared. "Yellow, white, black, red, brown. In the honesty, courage, intelligence, durability, and goodness of the overwhelming majority of my brothers and sisters everywhere on this planet. I am proud to be a human being. I believe that we have come this far by the skin of our teeth. That we always make it just by the skin of our teeth, but that we will make it. Survive. Endure. I believe this hairless embryo with the aching, oversize brain case and the opposable thumb, this animal barely up from the apes will endure. Will endure longer than his home planet—will spread out to the stars and beyond, carrying with him his honesty and his insatiable curiosity, his unlimited courage and his noble essential decency."

But overwhelmed by heart ailments and emphysema, Heinlein died of heart failure, in his sleep at home, Sunday, May 8, 1988. About ten days later, Virginia Heinlein boarded a U.S. Navy ship in Monterey, sailed into the Pacific and committed his ashes to eternity.

Tributes came from all over. For instance, Isaac Asimov said: "He had kept his position as greatest science fiction writer unshaken to the end." Tom Clancy: "We proceed down a path marked by his ideas." British science fiction author Arthur C. Clarke: "Goodbye, Bob, and thank you for the influence you had on my life and career. And thank you too, Ginny, for looking after him so well and so long." Catherine Crook de Camp, wife of Heinlein's friend L. Sprague de Camp: "The last telephone call I made to Robert Heinlein was about a month before he died, while he was at home between two hospital stays. His voice seemed resonant and almost young that evening as we recalled the many happy times we'd shared. He described the splendid vistas from the windows of his new home as he looked towards his beloved sea. Finally, Bob and I said how much we'd always loved each other and always would. It was a heart-to-heart recap of forty-six years of tender friendship. And when there was nothing left to say, I sat beside the silent phone and wept."

Today Robert Heinlein inspires young people much as he inspired their parents and grandparents, an extraordinary phenomenon. *Tunnel in the Sky* is a popular CD-ROM game. In 1994, Disney released the movie *Puppet Masters*. Later this year, Disney and TriStar will release the movie *Starship Troopers*. Major studios currently have movie options on *Glory Road*, *The Moon Is a Harsh Mistress*, *Orphans of the Sky*, and *Stranger in a Strange Land*. Robert Heinlein, now and forever—a great soaring spirit for liberty. □

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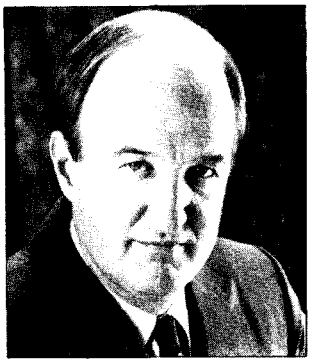

The Mysteries of the Great Depression Finally Solved

"The depression . . . was endemic to the system: the economy was not self-regulating and needed to be controlled."

—David Colander and Harry Landreth[1]

The Great Depression of the 1930s may be a dim memory now, but its impact is still being felt in policy and theory. The prolonged depression created an environment critical of laissez-faire policies and favorable toward ubiquitous state interventionism throughout the Western world. The depression led to the Welfare State and boundless faith in Big Government. It caused most of the Anglo-American economics profession to question classical free-market economics and to search for radical anti-capitalist alternatives, eventually converting to the "new economics" of Keynesianism and "demand-side" economics.

Prior to the Great Depression, most Western economists accepted the classical virtues of thrift, limited government, balanced budgets, the gold standard, and Say's Law. While most economists continued to defend free enterprise and free trade on a microeconomic scale, they rejected traditional views on a macroeconomic level in the postwar period, advocating consumption over saving, fiat money over the gold standard, deficit spending over a balanced budget, and active state interventionism over limited government. They bought the Keynesian argument that a free market was inherently unstable and could result in high levels of unemployed labor and resources for indefinite periods. They blamed the Great Depression on laissez-faire capitalism and contended that only massive government spending during World War II saved the capitalist system from defeat. In short, the depression opened the door to widespread collectivism in the United States and around the world.

Fortunately, free-market economists have gradually punctured holes in these arguments and the pendulum has slowly shifted toward a re-establishment of classical free-market economics. Three questions needed to be addressed: What caused the Great Depression? Why did it last so long? Did World War II restore prosperity? Economic historian Robert Higgs had dubbed these three arenas of debate the Great Contraction, the Great Duration, and the Great Escape.

The Cause of the Great Contraction

Many free-market economists had attempted to answer the first question, including Benjamin M. Anderson and Murray N. Rothbard,[2] but none had the impact equal to Milton Friedman's empirical studies on money in the early 1960s. His was the first effective effort to destroy the argument that the Great Depression was the handiwork of an inherently unstable capitalistic system. Friedman (and his co-author, Anna J. Schwartz) demonstrated forcefully that it was

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not free enterprise, but rather government—specifically the Federal Reserve System—that caused the Great Depression. In a single sentence underlined by all who read it, Friedman and Schwartz indicted the Fed: "From the cyclical peak in August 1929 to a cyclical trough in March 1933, the stock of money fell by over a third."[3] (This statement was all the more shocking because until Friedman's work, the Fed didn't publish money supply figures, such as M1 and M2!)

Friedman and Schwartz also proved that the gold standard did not cause the depression, as some Keynesian economists have alleged. During the early 1930s, the U.S. gold stock rose even as the Fed perversely raised the discount rate and allowed the money supply to shrink and banks to collapse.[4]

The Prolonged Slump

Economic activity and employment stagnated throughout the 1930s, causing a paradigm shift from classical economics to Keynesianism. Friedrich Hayek, the Austrian economist who challenged Keynes in the thirties, was so disheartened about the state of the free-world economy that he abandoned the study of economics in favor of political philosophy.

Why did the depression last so long? Many free-market economists have picked up where Murray Rothbard's *America's Great Depression* left off, at the time Franklin Delano Roosevelt took office in 1933. Gene Smiley (Marquette University) attempted an "Austrian" perspective on the perverse role of fiscal policy in the 1930s. I summarized the causes of stagnation and persistent unemployment, such as the Smoot-Hawley Tariff, tax increases, government regulation and controls, and pro-labor legislation.[5]

More recently, Robert Higgs of the Independent Institute has made an in-depth study of the 1930s' malaise and focused on the lack of private investment during this period. According to Higgs, private investment was greatly hampered by New Deal initiatives that destroyed investor and business confidence, the key to recovery.[6] In short, the New Deal prolonged the depression.

What Got Us Out?

In another brilliant study, Higgs attacked the commonly held view that World War II saved us from the depression and restored the economy to full employment. The war gave only the appearance of recovery, when in reality private consumption and investment declined while Americans fought and died for their country. A return to genuine prosperity—the true Great Escape—did not occur until after the war ended, when most of the wartime controls were abolished and most of the resources used in the military were returned to civilian production.[7] Only after the war did private investment, business confidence, and consumer spending return to form.

In sum, it has been a long and hard-fought war to restore the case for free-market capitalism. Finally, through the pathbreaking work of Friedman, Rothbard, Smiley, Higgs, and other scholars, we can now say the battle has been won. □

1. David C. Colander and Harry Landreth, eds., *The Coming of Keynesianism to America* (Edward Elgar, 1996), p. 16.

2. Benjamin M. Anderson, *Economics and the Public Welfare* (Indianapolis: Liberty Press, 1979 [1949]) and Murray N. Rothbard, *America's Great Depression* (Princeton: D. Van Nostrand, 1963).

3. Milton Friedman and Anna J. Schwartz, *A Monetary History of the United States, 1867–1960* (Princeton: Princeton University Press, 1963), p. 229.

4. Friedman and Schwartz, *Monetary History*, pp. 360–361. See also my May 1995 *Freeman* column, "Did the Gold Standard Cause the Great Depression?"

5. Gene Smiley, "Some Austrian Perspectives on Keynesian Fiscal Policy and the Recovery of the Thirties," *Review of Austrian Economics* (1987), 1:146–79, and Mark Skousen, "The Great Depression," in Peter Boettke, ed., *The Elgar Companion to Austrian Economics* (Edward Elgar, 1994), pp. 431–439.

6. Robert Higgs, "Regime Uncertainty: Why the Great Depression Lasted So Long and Why Prosperity Resumed After the War," *The Independent Review* (Spring 1997), 1:4, pp. 561–590.

7. Robert Higgs, "Wartime Prosperity? A Reassessment of the U.S. Economy in the 1940s," *Journal of Economic History* 52 (March 1992), pp. 41–60. See also Richard K. Vedder and Lowell Gallaway, "The Great Depression of 1946," *Review of Austrian Economics* 5:2 (1991), pp. 3–31.

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BOOKS

Libertarians and Liberalism—Essays in Honour of Gerard Radnitzky

edited by Hardy Bouillon

Avebury; Aldershot, England • 1996 • 359 pages • $76.50

Reviewed by George C. Leef

Gerard Radnitzky is a name little known in America, but he is a prominent figure in European liberal (using the word, of course, in its original meaning) circles. A native of Germany, he defected from the German military in April 1945, flying his airplane to Sweden. After acquiring Swedish citizenship, he became interested in politics and philosophy, thanks largely to socialists like Gunnar Myrdal, whose views Radnitzky found abhorrent. He met and befriended F. A. Hayek, absorbing much from him. As the editor writes of him, "[T]here is a leitmotif that runs through the history of his intellectual life, namely, the love of freedom and the quest for a state—if we must have one—that leaves it to individuals to shape their own lives and lets them take the responsibility for it." This collection of essays has been compiled in honor of Radnitzky, a redoubtable advocate of liberty.

The writers include many of the sharpest critics of statism today: Walter Block, Hans-Hermann Hoppe, Arthur Seldon, Hans Sennholz, Anthony de Jasay, Gordon Tullock, and Antony Flew. The editor has grouped the essays into three sections. First, "Libertarianism and Liberalism: of Laps, Links and Lapses"; second, "The Fatal Franchise of Freedom: of Social Choice Democracy"; and third, "The Future of Freedom: of Facts and Fiction." Most of the work is excellent and I will briefly mention several pieces that stand out in my mind.

In "Libertarians and the Rule of Law," Arthur Seldon explores the reasons for and implications of the decline of the rule of law. He writes, " 'Democracy' is propounded as an unquestioned political ideal—by politicians. The good word 'public' has been debased into a cynical question-begging misdescription for the power-seeking by individuals who would fail in the competitive test of the marketplace." Too much law, he argues, undermines respect for and the enforceability of true law that protects human society.

In "The Bitter Medicine of Freedom," Anthony de Jasay argues that freedom is menaced in our time not so much by "despots, dictators or totalitarian creeds," as by the all-too-human tendency to want to abdicate our responsibility for our mistakes and failings. People want freedom to do the things they like, but want the state to succor them when things go awry. As he says, "The rough underside of freedom is responsibility for oneself. The fewer the institutional obstacles an individual faces in choosing acts to fit his preferences, the more his life is what he makes of it, and the less excuse he has for what he has made of it. . . . The corollary of an individual's discretion to contribute to or coldly ignore the purposes of the community is that he has no good claims upon it to advance his purposes." The statists succeed mainly by promising people relief from that bitter medicine. If we are to preserve freedom, however, we have to convince people that some doses of that bitter medicine are inevitable.

Antony Flew's "Social Democracy and the Myth of Social Justice" needs to be in the arsenal of anyone who wants to combat the constant cry of the statists that various coercive measures must be implemented in order to advance "social justice." Hayek attacked the notion of "social justice" in the second volume of *Law, Legislation and Liberty*, but Flew improves upon Hayek's criticism, taking pains to argue that "social justice as customarily conceived is precisely not a kind of justice." He leaves in tatters the theories of Rawls and other contemporary advocates of the idea that state-sanctioned coercion can make for a more just world.

Vaclav Klaus, finance minister of the Czech Republic, offers up a great tribute to the Austrian School in "The Austrian School—Its Significance for the Transformation Process." How wonderful to read that Austrian ideas

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have played a major role in the Czech Republic's journey from tyranny to freedom.

Other notable contributions to this volume include Angelo Petroni's "Is There a Morality in Redistribution?," Manfred Streit's "Competition Among Systems as a Defence of Liberty," Antonio Martino's "Ideas and the Future of Liberty," and Hans Sennholz's solid "The Böhm-Bawerkian Foundation of the Interest Theory."

The one essay that is rather weak is "Liberalism and Libertarians" by Gerd Haberman, a critique of libertarian thinking that rehashes a lot of arguments that have been refuted often—for example, the canard that libertarians regard people as "isolated atoms," ignorant of "their most basic social bonds." To consistently reject the use of coercion in human relationships is not at all the same as denying or ignoring the fact that human beings need to have social bonds.

This book needed a more careful proofreading and the typeface is not the easiest to read. Nevertheless, this collection is chock full of brilliant insights and devastating arguments. □

Mr. Leef is president of Patrick Henry Associates: Liberty Consultants in East Lansing, Michigan, and also book review editor of The Freeman.

The Long Affair: Thomas Jefferson and the French Revolution, 1785–1800

by Conor Cruise O'Brien

University of Chicago Press • 1996 • 385 pages • $29.95

Reviewed by Aeon James Skoble

Although Thomas Jefferson is popularly known as a great statesman, historians have long been aware that he, like everyone else, was not as purely good as his popular image would suggest. Political thinkers of some stripes even find his theories of government objectionable. There have been many treatments of Jefferson's thought and legacy, both sympathetic and critical, yet there is something distinctive about Conor Cruise O'Brien's new book, *The Long Affair*: its extreme polemical character. There have also been many polemics about Jefferson, but here, unfortunately, is a polemic masquerading as a serious work of history. O'Brien's main goal is to show that Jefferson deserves none of the reverence he has enjoyed since his death. Specifically, O'Brien wants to show that Jefferson is the direct ideological ancestor of racist skinheads, apartheid South Africa, and Timothy McVeigh.

O'Brien is off the mark in several respects. Chief among them is the lack of theoretical sophistication and historical context in his analysis. That's a weighty charge to level against a respected writer like O'Brien, but the fact is that he betrays his lack of theoretical perspective by not so much as mentioning the English philosopher John Locke. Locke is an essential antecedent to everything in the Declaration of Independence, a fact which O'Brien surely knows. Locke had, in the previous century, carefully laid out a theory of natural rights of self-ownership and the ensuing importance of consent. Locke also sets out a right to rebel against an unjust authority, which Jefferson's generation understood.

O'Brien takes Jefferson to task for being an "ideologue," i.e., for thinking that he was the definitive interpreter of timeless truths. But the rhetorical significance of the phrase "self-evident truths" was to highlight to the target audience, the British, that the colonists' complaint was not radical at all. The political theory expressed in the Declaration was at least 90 years old by the time of the Second Continental Congress. Locke had already established the legitimacy of the notion of government by consent and natural, inalienable rights, and these theories were common currency in England. The English themselves were supposed to be proponents of the Lockean theory—that's the point of calling it a "self-evident truth." The idea that government derives its just power from the consent of the governed was certainly not something Jefferson would have claimed sole proprietorship over.

O'Brien makes much of the fact that John Adams and Benjamin Franklin made small revisions to the draft of the Declaration in an unconvincing attempt to show that Jefferson

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doesn't deserve the credit for writing it. But now the polemicism is made transparent: according to O'Brien, Jefferson deserves denunciation for originating a theory of revolution, but doesn't deserve to be revered as the author of the theory. The reality is that Jefferson *wasn't*, and wouldn't have claimed to be, the originator of the political theory underlying the Declaration, but *was* an eloquent articulator of that theory.

In any case, O'Brien is guilty of several *ad hominem* attacks of the weakest sort. To suggest that there is something suspect about Jefferson because Mr. McVeigh (or whoever) likes to quote him is fallacious reasoning. It's like saying that since Charles Manson quoted John Lennon, Lennon must have been evil. O'Brien makes several such charges, including his thoroughly unpersuasive attempt to show that the Ku Klux Klan is "descended from" Jefferson, whatever that means.

As we are all now aware, Jefferson owned slaves, in spite of his often-stated view that slavery was an offense against natural law. For O'Brien, this is evidence of pathological, virulent racism. Any number of more sensible considerations of this paradox (most recently Sean Wilentz's excellent critique of O'Brien in *The New Republic* or historian Joseph Ellis's *American Sphinx*) have demonstrated that things are not that simple. Could Jefferson have shown greater moral courage than he did? Perhaps, but remember that slavery was the norm for that time and place, so there were more complex legal and financial factors involved, which, while not exculpatory, also suggest less harsh condemnation. During the Second Continental Congress, Jefferson tried to include an antislavery clause in the Declaration, but it was vetoed by the Southern delegation. Later he arranged for the release of some, but not all, of his slaves. Is it strange that someone who thinks that slavery is a moral wrong should not have done a better job ending the institution of slavery? How can we answer that question satisfactorily? Deciding that Jefferson could have done more is a far cry from branding him a vicious racist.

No personal attack on Jefferson's character would be complete without revisiting the allegation that he had a long affair with his slave Sally Hemings. The "long affair" of the book's title is meant to refer most obviously to Jefferson's enchantment with the French Revolution, and his seeming endorsement of its worst excesses, which is part of the link between Jefferson and McVeigh, according to O'Brien, who documents this with selected writings (while ignoring other more moderate writings). But the "long affair" also evokes the relationship between Jefferson and Sally Hemings. Was there such an affair? The only honest answer is: we can't be sure. There is some evidence to support the story, but not very much, and the story originated in the mouths of political enemies of Jefferson. To accept uncritically the allegations as further ammunition for a personal attack is not the mark of reasoned discourse, yet O'Brien is far too quick to endorse the story in its entirety.

O'Brien's book is so clouded by animus that it fails to be either reasonable or persuasive. Whatever his faults, Jefferson doesn't deserve this, and more to the point, modern readers interested in exploring the perplexing legacy of Jefferson do not deserve it either. □

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The Libertarian Reader: Classic and Contemporary Writings From Lao-Tzu to Milton Friedman

edited by David Boaz

Free Press • 1997 • 476 pages • $27.50

Reviewed by William H. Peterson

Asked Shakespeare's Juliet: What's in a name? Yesterday conservatism was "in" as the name of what could be called the free-society movement. Today, increasingly, libertarianism as the catch-name is in. Recent books by Charles Murray (*What It Means to Be a Libertarian*) and David Boaz (the title reviewed here and his *Libertarianism: A Primer*) have put the word "libertarian" in front of many who were not previously familiar with it.

As editor David Boaz says in his introduc-

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tion to this fine collection, it is easier to define libertarian ideas than to agree on a proper name for those ideas. The essays he has chosen succeed in explaining the essence of libertarian thinking. Believers in statism may not be won over (although they should be!) but after *The Libertarian Reader*, they won't have any excuse for misrepresenting what libertarians stand for.

Mr. Boaz sets forth seven sections of selected readings, six of them on central ideas in libertarianism: skepticism about power, individualism, individual rights, spontaneous order, free markets and voluntary order, and peace and international harmony. The seventh section relates to the future of libertarianism and features a gem, "Paternalist Government Is Out of Date" by Michael Prowse of *The Financial Times*.

Selections and ideas match well, and make this a most handy reference work, even though many of the selections (such as James Madison's *Federalist* No. 10 and Thomas Jefferson's Declaration of Independence) can be found in conservative and other readers. Where Mr. Boaz especially shines is in his annotated comments and libertarian asides. He notes, for example, that Jefferson in his draft of the Declaration of Independence insisted on the phrase *in*alienable rights, that these rights are "natural," that government can't transfer or abolish them, that if it does, the people have "the right to alter or to abolish it, and to institute new government."

Among these many selections are such other sharp questioners of state authoritarianism as John Locke, Adam Smith, Thomas Paine, Herbert Spencer, Frederic Bastiat, and, from the twentieth century, F. A. Hayek, Murray Rothbard, Ludwig von Mises, H. L. Mencken, and Charles Murray. (Of interest to *Freeman* readers is Doug Bandow's "Private Prejudice, Private Remedy," which originally appeared in the July 1996 issue of this journal.) David Boaz knows the literature well and has wisely drawn from it.

Particularly noteworthy, I believe, is the essay "The Right to Do Wrong" by Roger Pilon, director of constitutional studies at the Cato Institute (where Mr. Boaz serves as executive vice president). Mr. Pilon endorses the Supreme Court's 1990 defense of flag-burning as a First Amendment right not only of speech but of content. Pilon's point is all speech is a form of action and, arguably, all action is, if not speech, at least a form of expression with which the government has no right to interfere—as long as the action is peaceful—no matter how much it annoys others.

Such jewels abound in this mustering of sharp minds. □

Dr. Peterson, an adjunct scholar at the Heritage Foundation, is Distinguished Lundy Professor Emeritus of Business Philosophy at Campbell University in North Carolina.

The Unknown Lenin, From the Secret Archive

edited by Richard Pipes with the assistance of David Brandenberger; basic translation of Russian documents by Catherine A. Fitzpatrick

Yale University Press • 1996 • xi–xx + 204 pages • $27.50

Reviewed by Joseph T. Fuhrmann

It has been inspiring to watch the "opening up" of Russian archives since the collapse of the USSR. Foreigners now have access to documents once denied even to communist historians. The "Presidential Archives" in Moscow hold papers still classified "top secret," but a few people are permitted to work there. Bureaucratic attitudes in the open archives can still be confining and frustrating, but despite that complication, amazing materials are now available.

This volume contains a selection of 122 documents housed at the Russian Center for the Preservation and Study of Documents of Recent History (RtsKhIDNI) in Moscow. They have been translated into English and are published here under a joint venture between Yale University Press and the RtsKhIDNI. Yale has worked with Russian archives to issue three other titles in this "Annals of Communism Series": *The Secret World of American Communism, Stalin's Let-*

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ters to Molotov, 1925-1936, and *The Fall of the Romanovs*. *The Unknown Lenin* is a worthy addition to an important series.

Richard Pipes, emeritus professor of Russian history at Harvard, is the principal editor of *The Unknown Lenin*. Pipes has long striven to refute the notion that Lenin was an admirable fellow who made a noble revolution which was betrayed by Joseph Stalin. It is not that Pipes is favorable to Stalin; his concern, rather, is to show that Lenin was equally ruthless and unprincipled. Or more so. Pipes relishes the story that when Molotov, the "only Communist official to serve both Lenin and Stalin throughout their political careers, was asked to compare the two, he declared without hesitation that Lenin had been the 'more severe' or 'harsher' (*bolee surovyi*)." Who could have been better qualified than Molotov to make such a judgment! As Pipes remarks, "Those who still idealize Lenin and contrast him favorably with Stalin will find little comfort in the Lenin documents which are now coming to light."

One of the purposes of this volume, then, is to demolish favorable sentiment for Lenin. Some of the documents do this. On August 11, 1918, for example, we find Lenin demanding that a kulak uprising in Penza be suppressed by hanging "no fewer than one hundred known kulaks, rich men, bloodsuckers.... Find some truly hard people." On March 19, 1922, Lenin issued an order concerning confiscation of church property and the execution of priests and others who sought to block such seizures. "[I]f it is necessary to resort to certain brutalities for the sake of realizing a certain political goal, they must be carried out in the most energetic fashion and in the briefest possible time because the masses will not tolerate prolonged application of brutality.... Therefore, ... we must give battle to the Black Hundreds [a pre-revolutionary, proto-fascist organization] clergy in the most decisive and merciless manner and crush its resistance with such brutality that it will not forget it for decades to come." The trial of these people should "be conducted with the maximum of speed and ... end in no other way than execution by firing squad of a very large number of the most influential and dangerous" rebels.

Pipes incontrovertibly proves that Lenin was ruthless and tyrannical. To his credit, however, he also offers many documents which show more admirable sides of the man. A major theme in Lenin's correspondence, for example, is concern for the health and well-being of his correspondents. Lenin also seems to have had a limited appetite for personal aggrandizement. On January 29, 1919, we find Lenin rejecting a suggestion from the historian N. A. Rozhkov that he (Lenin) implement a "personal dictatorship"—though one wonders how such a regime would have differed from what the Bolsheviks *had* established! This same letter gives a hint, incidentally, of why Lenin so disliked capitalism. Rozhkov had suggested that the solution to the food shortage might be free trade. "You should not be thinking of free trade," Lenin replied: "free trade, given the absolute shortage of essential produce, is equivalent to frenzied, brutal speculation and the triumph of the haves over the have-nots." Lenin preferred to allow large numbers of people to starve rather than abandon his Marxist economic doctrines.

Admirable as this volume is, one questions the importance of some of the documents it offers. The translations seem excellent, as are the "Introduction," the editors' comments on individual documents, the index, and the archival listing and data for each document. All concerned deserve praise for their efforts, which throw a lot of new light on the man chiefly responsible for bringing the world's first communist state into existence. □

Dr. Fuhrmann, who teaches Russian history at Murray State University, is the author of Rasputin: A Life *(Praeger, 1990).*

The Disadvantages of Being Educated

edited by Robert M. Thornton

Hallberg Publishing Corp., Tampa, Florida 33623 • 1996 • 221 pages • $14.95 paperback

Reviewed by Edmund A. Opitz

The Disadvantages of Being Educated is an event, of sorts; it gathers together essays little noticed, perhaps, nor long remembered

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. . . except by those who have come to appreciate Albert Jay Nock's vast learning, his wit, and his unembroidered literary style. This book is good news; the editor is thoroughly familiar with the entire range of Nock's writing, and it may be assumed that these essays are his favorites.

Robert Thornton, the editor of this admirable collection, was the prime mover behind the scenes of the Nock renewal that began to surface during the late fifties. In 1963 he, a businessman, assembled two kindred spirits—a neurosurgeon and a minister—and over a convivial luncheon the Nockian Society began to emerge. It was not to be just another organization: God forbid! The three of us contemplated a kind of clearinghouse operation with an occasional newsletter carrying items of interest to men and women who had been touched by Nock's writing. On our masthead were the words: No Meetings; No Officers; No Dues. This was to be a society that kept out of members' way; the next best thing, observed someone, to no society at all! It was basically a mailing list plus a real person to answer the phone. Over the years the Society's mailing list grew to nearly 700 names.

The Society had no expenses except postage. Members, from time to time, would send a gift to cover that. Occasionally we would turn up a rare, out-of-print Nock title and auction it off through the newsletter. Our first Society publication was a wonderful collection of Nock's thoughts on a variety of topics, assembled by Robert Thornton and entitled *Cogitations from Albert Jay Nock*, 120 pages. This appeared in 1970 to mark the centenary of Nock's birth. It has gone through three printings: our bestseller.

Most readers of this review know Nock, at least by name. One hopes that they gained some acquaintance with the man himself, and his career, in Jim Powell's splendid essay on Nock in the March 1997 *Freeman*. In the same issue is a reprint of Nock's most popular essay, "Isaiah's Job," which first appeared in print in *Harper's* in 1936. The Foundation for Economic Education issued it in pamphlet form in the early fifties and has put nearly a million copies into print during the past 45 years.

There was an early *Freeman* launched in 1920 with Nock as editor. He authored many articles in addition to his editorials. Funds ran out in 1924 and Nock sailed off for the Continent, where he lived during most of the next 16 years. It was a period of intense literary activity. In 1926, his classic *Jefferson* appeared, to mark the centenary of our third president's death. Half a dozen years later he gave a course of lectures at the University of Virginia, which became the book *The Theory of Education in the United States*. A steady flow of essays from Nock's pen during the 1930s appeared in quality magazines and then in book form. He wrote a learned book on Rabelais and in 1931 published a definitive annotated edition of *The Works of Francis Rabelais* in two huge volumes. *Our Enemy, the State* appeared in 1935 and has been the subject of some controversy ever since concerning the distinction Nock makes between Government and The State; essentially it is the same distinction made by Bastiat between The Law, whose purpose is justice between persons, and The Law perverted to advantage some at the expense of others. This arrangement is clear in the case of the Norman Conquest of England. The Normans parceled out the land—20 percent to the king, 25 percent to The Church, and the rest to 170 Norman noblemen. Such a regime is The State, and may have been the kind of thing that Ludwig von Mises had in mind when he pointed out that "All ownership derives from occupation and violence." (*Socialism,* p. 32 and *Human Action,* p. 679) Nock's words clarify the issue: ". . . when society deprives The State of the power to make positive interventions on the individual—power to exercise positive coercion on him in his economic and social life—then at once the State goes out of existence, and what remains is government . . . government as contemplated by Mr. Jefferson in the Declaration, by Paine, by Franklin, and the 18th century British Whigs and Liberals. That's all." But, as Nock pointed out in another context, most people do not want a government that will let them alone; they want a government they can use to their own advantage, and at the expense of everyone else, i.e., they want The State.

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After Nock returned to the United States in 1940, an old publisher friend began badgering him to write his autobiography. Nock had always felt that his private life was nobody's business but his own. So the publisher tried a different tack: Why not make this the autobiography of a mind; how you arrived at the philosophy you live by, how you would explain and defend the ideas you've made your own, what first attracted you to them, and how they have served you? Nock was intrigued and set to work on what became *Memoirs of a Superfluous Man*. It's a dull fellow indeed who can read this book and not be deeply moved by it. Ideas begin to bulge and fever in the brain; there are birth pangs, growth hurts! Your reading program changes as you chase down some of the titles Nock discusses; you are going through what might be termed a semi-religious experience. Nock never did seek a "following" in the customary understanding of that term. What he did was generate new perspectives in a reader, and a new mood; operate on your own steam and you begin to develop strength from within, also from around and above. There are Nockians and incipient Nockians in unexpected places; a zestful crew if ever there was one!

So, how does one get started? Well, you start by reading the essays, seventeen of them, in *The Disadvantages of Being Educated*, 221 pages of superb writing. The friendly publisher has designed a very attractive high-quality paperback, and Mr. Thornton the secretary of The Nockian Society, contributes a fine introduction. You may contact The Nockian Society at 42 Leathers Road, Fort Mitchell, Kentucky 41017. Intellectual adventure lies ahead. □

The Reverend Mr. Opitz served on the senior staff of The Foundation for Economic Education for 37 years. Now retired, he continues to serve FEE as a Trustee, and as a contributing editor of The Freeman.

Answers to Liberty Quiz (p. 424)

1. (H.) English philosopher John Locke (1632–1704) in *Second Treatise on Civil Government* (1689).

2. (D.) The phrase laissez-faire has been attributed to the seventeenth-century French businessman Legendre and popularized by Jacques C.M. Vincent de Gournay (1712–1759).

3. (L.) Attributed to Boston attorney James Otis (1725–1783) in 1763.

4. (M.) Thomas Paine (1737–1809) in *Common Sense* (1776).

5. (G.) Thomas Jefferson (1743–1826), in a letter to William Stevens Smith, November 13, 1787.

6. (T.) Mary Wollstonecraft (1759–1797) in her *Vindication of the Rights of Woman* (1792).

7. (J.) Albert Jay Nock (1870–1945), in *Our Enemy, the State* (1935).

8. (B.) Benjamin Franklin (1706–1790), in his 1736 *Poor Richard's Almanac*.

9. (Q.) Adam Smith (1723–1790), in *The Wealth of Nations* (1776).

10. (A.) Lord Acton (1834–1902), in his letter to Mandell Creighton, April 5, 1887.

11. (S.) Mark Twain (1835–1910), in *Pudd'nhead Wilson* (1894).

12. (C.) Milton Friedman (1912–), in many talks since the 1960s.

13. (E.) F.A. Hayek (1899–1992), in *The Road to Serfdom* (1944).

14. (N.) Ayn Rand (1905–1982), in her March 1964 *Playboy* interview.

15. (I.) Ludwig von Mises (1881–1973), in *Human Action* (1949).

16. (F.) Henry Hazlitt (1894–1993), in *Economics in One Lesson* (1946).

17. (R.) Thomas Sowell (1930–), in *Is Reality Optional? and Other Essays* (1993).

18. (O.) Leonard E. Read (1898–1983), *Anything That's Peaceful* (1964).

19. (K.) P.J. O'Rourke (1947–), in *Age and Guile Beat Youth, Innocence, and a Bad Haircut* (1995).

20. (P.) Murray N. Rothbard (1926–1995), "Left and Right: The Prospects for Liberty," in *Left and Right* (1965).

This brief quiz underscores the exhilarating sophistication and spirit of liberty.

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